FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

LAST ISSUE

THE *NEAR EAST & SOUTH ASIA DAILY REPORT*
WILL NOT BE AVAILABLE AS A PAPER BOOK AFTER **16 AUGUST**
TO ARRANGE FOR ELECTRONIC RECEIPT, PLEASE SEE INSIDE
FOR INFORMATION ON VARIOUS OPTIONS

LAST ISSUE

Near East & South Asia

ATTENTION!! ATTENTION!! ATTENTION!!

FBIS will phase out publication of most of its paper reports, including ALL Daily Reports and most FBIS Reports, by 31 December 1996.

See inside for information on how to access FBIS products and services electronically.

FBIS-NES-96-152
Tuesday
6 August 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Dear Customer:

Responding to our many customers' requests, NTIS is offering FBIS publications electronically. Due to resource limitations, hardcopy production of FBIS publications will be phased out during 1996. Hardcopy reports which have already been discontinued include *Arms Control & Proliferation Issues, Environment & World Health, Narcotics, and Terrorism.*

Hardcopy publication of the regional DAILY REPORTS will cease as follows:

1 August	*China, Latin America*
19 August	*Near East and South Asia, West Europe, Sub-Saharan Africa, West Europe Economic Review*
2 September	*East Asia, East Europe, East Europe Economic Review*
16 September	*Central Eurasia, Central Eurasia Military Affairs, Central Eurasia Economic Review*

FBIS' goal is to cease publication of all hardcopy reports by 31 December 1996 except for S&T PERSPECTIVES, S&T CENTRAL EURASIA, S&T CHINA, S&T KOREA, S&T EUROPE, and S&T JAPAN. The S&T reports will continue to be published as hardcopy until the graphics they contain can be disseminated on-line.

FBIS products are offered electronically through the National Technical Information Service's (NTIS) "World News Connection" (WNC). This is a new on-line subscription service accessible through the World Wide Web. The Web address is http://wnc.fedworld.gov. Please see the next page for a subscription form or call NTIS Fax Direct at 703-487-4140 and enter product code 8645 to receive more information.

World News Connection™

A Foreign News Alert Service from the U.S. Government

World News Connection - WNC1.....$ 21
7 Day - Introductory Offer
Unlimited interactive searching
[no profiles]
Order number SUB-9856BDQ

World News Connection - WNC2.....$ 50
Monthly
Unlimited interactive searching
[no profiles]
Order number PB95-985700BDQ

World News Connection - WNC3.....$ 75
Monthly
Unlimited interactive searching
[1 profile]
Order number PB95-985800BDQ

World News Connection - WNC4.....$100
Monthly
Unlimited interactive searching
[up to 5 profiles]
Order number PB95-985900BDQ
(Prices are subject to change)

User Name *(Please Print or Type)*	Internet E-mail Address *(Required)*	Order Number	Price
1) _____	_____	_____	_____
2) _____	_____	_____	_____

(Continue on a blank sheet if more space is required)

Deposit Account Number (for NTIS account customers only): _____

Customer Master Number (if known): _____ **Date:** _____

Contact Name: _____ **Organization:** _____

Street Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Province/Territory: _____ **Country:** _____

Foreign Postal Code: _____

Internet E-mail Address (Organization contact person): _____

Telephone Number: ( ) _____ **Fax Number:** ( ) _____

Credit Card Number: _____

Credit Card Expiration Date: _____

Card Type (Visa, Master Card, or American Express): _____

Cardholder's Name (as printed on the credit card): _____

Cardholder's Signature (required to validate all orders): _____

(Please fax this form back to NTIS at 703-321-8547. Fax service is available 24 hours a day, 7 days a week.
To verify receipt of your fax, call (703) 487-4679 between 7:00am - 5:00pm, Monday - Friday, Eastern Time.)

Daily Report
Near East & South Asia

FBIS-NES-96-152 *6 August 1996*

CONTENTS

NOTICE: An * indicates material that may not be disseminated in electronic form.

INTERNATIONAL AFFAIRS

Islamic Affairs

Political Islam Review: AL-SHA'B 26 Jul 1

Palestinian Affairs

Palestinian Affairs: 'Arafat Addresses Jericho Masses on Peace *[Jericho VOP]* 2
Palestinian Affairs: Israeli Decision on Settlements 'Categorically Denounced' *[Jericho VOP]* 2
Palestinian Affairs: Israeli Settlement Decision Termed 'Declaration of War' *[Jericho VOP]* . 2
Palestinian Affairs: Fatah To Form Committee To Counter 'Settlement Onslaught' *[Jericho VOP]* 3
Palestinian Affairs: 'Arafat Message Expresses Concern Over Settlement Issue *[Jerusalem Radio]* 3
Palestinian Affairs: Measures To Counter Israeli Settlement Policy Reported *[Jericho VOP]* .. 3
Palestinian Affairs: Commentary on Israeli Decision To Cancel Settlement Freeze *[Jericho VOP]* 3
Palestinian Affairs: Council Member Insists on Right To Open Jerusalem Office *[Jericho VOP]* 4
Palestinian Affairs: 'Arafat Meets U.S. Official, Holds News Conference *[Jericho VOP]* 4
Palestinian Affairs: Ramallah 'Closed Military Zone' During 'Arafat Visit *[Jerusalem Radio]* 5
Palestinian Affairs: Israel Urged To Resume Discussion of Refugee Problem *[Jericho VOP]* . 5
Palestinian Affairs: Abu-Rudaynah on 'Arafat's Cairo Visit, Mubarak's Letter *[Jericho VOP]* 5
Palestinian Affairs: Sha'th Describes Netanyahu Remarks as 'Vague, Deceptive' *[Jericho VOP]* 5
Palestinian Affairs: Hamas Official on PA Ties, 'New Intifadah' *[Paris AL-WATAN AL-'ARABI 2 Aug]* 6

ARAB AFRICA

Algeria

Algeria: Prime Minister Urges Other Parties To Join Government *[Algiers TV]* 9
Algeria: Prime Minister Says Country Facing 'Social and Economic Crisis' *[Algiers Radio]* .. 9
Algeria: Prime Minister Defends Policies at News Conference *[Algiers Radio]* 10
Algeria: Funeral Service Held for Murdered Oran Bishop *[Algiers Radio]* 10

Egypt

Egypt: Papers Note Mubarak U.S. Visit Beginning To Bear Fruit *[MENA]* 11
Egypt: Information Minister Brings Message From al-Qadhdhafi *[Cairo Radio]* 11
Egypt: Information Minister Comments on Message Conveyed to al-Qadhdhafi *[MENA]* 11
Egypt: Commentary Attacks Israel's New Move on Settlements *[Cairo Radio]* 12
Egypt: AL-AHRAM Warns of Israeli Settlement Policies *[MENA]* 13
Egypt: Arab Foreign Relations Committees Term Israeli Settlement Policy 'Obstacle' *[Cairo Radio]* 13
Egypt: Foreign Ministry Official Says Settlement Policy To Be Talks' Main Topic *[MENA]* .. 13
Egypt: Ambassador Denies Israeli Report on Coordination With Egypt *[Jericho VOP]* 13
Egypt: Foreign Ministry Denies 'Coordination' on Settlements *[London AL-HAYAH 6 Aug]* .. 14

Libya

Libya: Chinese Parliamentary Delegation Arrives in Tripoli *[Tripoli TV]* 14

Libya: Visiting Chinese Parliamentary Delegation Discusses Relations *[Tripoli TV]* 14
Libya: Libyan Air Force Ends Live Ammunition Exercises *[JANA]* 14

IRAQ

Iraq: UN Envoy Urges 'Pressure' on U.S. To Approve List *[INA]* 16
Iraq: 'Coup Attempt' Executions Said To Have Reached 122 *[London AL-SHARQ AL-AWSAT 5 Aug]* 16
Iraq: 'Sources' Describe Attempt on Saddam's Life by Inner Circle *[MENA]* 17
Iraq: New Details of 'Abortive Attack' Against Marshes Reported *[Voice of Rebellious Iraq]* 17
Iraq: 'Regime' Said Hiding Bodies of Soldiers Killed in Marshes *[Voice of Rebellious Iraq]* 17

ISRAEL

Israel: Netanyahu Sending Message to al-Asad Through King Husayn *[MA'ARIV 4 Aug]* 18
Israel: Netanyahu Proposal for Resumption of Talks With Syria *[THE JERUSALEM POST 6 Aug]* . 18
Israel: Morocco Rejects Israeli Envoy, Call From Netanyahu *[Jerusalem Radio]* 19
Israel: Officials — Lebanon Monitoring Committee To Meet 15 Aug *[Jerusalem Radio]* 19
Israel: Army Sources—20 'Terrorists' Killed in Lebanon in 3 Weeks *[Jerusalem TV]* 19
Israel: Police Visit 'Abd-al-Qadir, Deliver Closure Order *[Jerusalem Radio]* 19
Israel: Egypt Vows To Support PA Fight To Operate in Jerusalem *[Jerusalem TV]* 20
Israel: Police To Interrogate All PA Jerusalem Office Visitors *[Jerusalem Radio]* 20
Israel: Sources Say Levi 'Furious' Over Treatment by Netanyahu *[Jerusalem TV]* 20
Israel: 'Complete Lack of Contact' Reported Between Netanyahu, Levi *[Jerusalem Radio]* 20
Israel: Foreign Ministry Staffers—Netanyahu's Bureau 'Ignoring' Us *[Jerusalem Radio]* 20
Israel: Sharon's Deputy To Approve Plan To Expand Shilo Settlement *[Jerusalem TV]* 21
Israel: SHAS, NRP Work Out Compromise on Religious Affairs Ministry *[Jerusalem Radio]* 21
Israel: Analysts—U.S. Air Attack on Iranian Targets 'Possible' *[YEDI'OT AHARONOT 6 Aug]* 21
Israel: Foreign Ministry — Failure To Punish Priebke 'Unthinkable' *[Jerusalem Radio]* 22
Israel: Defense Sector 'Worried' Over Violence Spread in West Bank *[Jerusalem Radio]* 22
Israel: IDF Not Asked To Recommend Hebron Redeployment Alternatives *[Jerusalem Radio]* 22
Israel: EU Changes Policy Regarding Visits to Orient House *[Jerusalem Radio]* 22
Israel: Clinton Criticized Over Pollard Case *[Women in Green Information Service]* 22

JORDAN

Jordan: King Husayn, Prince Hasan Hold Meetings With Netanyahu *[Amman Radio]* 25
Jordan: King Briefs Netanyahu on Outcome of Damascus Talks *[Amman Radio]* 25
Jordan: King Husayn, Israel's Netanyahu Hold News Conference *[Amman TV]* 25
Jordan: AL-ASWAQ Notes Netanyahu's 'Positive Intentions' *[AL-ASWAQ 6 Aug]* 30
Jordan: Al-Majali Denies Israeli Press Reports on Settlements Issue *[Jericho VOP]* 31

LEBANON

Lebanon: Buwayz Denies Date Set for Monitoring Committee Meeting *[Beirut Radio]* 32
Lebanon: Al-Hariri on Meeting With Ross, 'Lebanon First' Proposal *[Paris LE MONDE 3 Aug]* 32
Lebanon: Al-Hirawi Returns After Talks With al-Asad *[Beirut Radio]* 32
Lebanon: Al-Hirawi, Birri, al-Hariri Meet; Birri Leaves for Damascus *[Beirut Radio]* 32
Lebanon: Hizballah Kidnaps SLA Soldier; IDF Participating in Search *[Jerusalem Radio]* 33
Lebanon: Hizballah Issues Communique on Capture of SLA Member *[Voice of the Oppressed]* 33

SYRIA

Syria: Al-Asad, Lebanon's al-Hirawi Discuss Ties, Peace *[SANA]* 34
Syria: Papers on 'Solid, Strong Front' With Lebanon *[Damascus Radio]* 34
Syria: Paper Says Clinton's Statements Cause for 'Deep Concern' *[SANA]* 35

Syria: Netanyahu 'War' Government Turned Peace Into 'Big Farce' *[Damascus Radio]* 35
Syria: Israeli 'Terrorism,' Netanyahu's Policies Criticized *[Damascus Radio]* 36
Syria: Radio Says Netanyahu's Settlement Policy Endangers Peace *[Damascus Radio]* 37

SOUTH ASIA

Afghanistan

Afghanistan: Foreign Minister Calls on Pakistan To Stop Taleban Support *[IRNA]* 39
Afghanistan: Hekmatyar Discusses Relations With India,Iran, Pakistan. *[THE HINDU 4 Aug]* 39
Afghanistan: Mojahedin Neutralize Taleban Attacks in Paktia, Paktika *[Kabul Radio]* 40

Bangladesh

Bangladesh: Finance Minister Delivers Budget Speech *[THE DAILY STAR 29 July]* 41

India

India: U.S. Drive For 'Impregnable' Patent 'Monopolies' Viewed *[THE HINDU 2 Aug]* 58
India: Article Says U.S. 'Client' States 'Conduits for Terrorism' *[THE ECONOMIC TIMES]* 60
India: Deve Gowda Lauds Kashmiri People for Fighting Militancy *[Delhi Radio]* 61
India: Former Janata Dal Leader Interviewed *[THE ASIAN AGE 3 Aug]* 61
India: Parties Cautioned Not To Form Private Armies for UP Polls *[Delhi TV]* 64
India: Pro-Pakistan Militants Reportedly Behind Srinagar Killings *[Delhi TV]* 64

Iran

Iran: UN Mission Calls Recent 'Accusations' by U.S.'Unwise' *[IRNA]* 65
Iran: Velayati Protests to United Nations Over U.S. 'Threats' *[IRNA]* 65
Iran: Diplomat—U.S. Allegations Ploy To Distract Attention *[IRNA]* 66
Iran: Opposition Praises Signing of U.S. Anti-Terrorism Bill *[AFP]* 67
Iran: Spokesman—Clinton's Decisions 'Doomed to Failure' *[Tehran TV]* 67
Iran: Foreign Ministry—Clinton Does Not Have World Backing *[IRNA]* 67
Iran: European Allies Critical of U.S. Sanctions Against Iran *[London THE TIMES 6 Aug]* 67
Iran: Foreign Ministry Spokesman Criticizes Sanctions Bill *[Tehran International]* 68
Iran: Kharrazi—Iran Has 'No Links' With Terrorism *[IRNA]* 69
Iran: Daily Condemns U.S. Anti-Terrorism Policies *[TEHRAN TIMES 31 Jul]* 69
Iran: Paper Criticizes Helms-Burton Bill on Iran *[JOMHURI-YE ESLAMI 28 Jul]* 70
Iran: U.S. 'Mischief,' 'Pressure' at Atlanta Olympics Viewed *[Tehran TV]* 71
Iran: Tehran Views U.S. Problems in Saudi Arabia *[Tehran International]* 72
Iran: U.S. 'Error' on Iran Stems From MKO's 'Fake Information' *[Tehran TV]* 72
Iran: Tehran—U.S. Fanning Flames of Propaganda Against Iran *[Tehran Radio]* 73
Iran: Radio Comments on U.S. Threats To Use Force Against Iran *[Tehran Radio]* 73
Iran: Commentary Views Clinton's Signing of Sanctions Bill *[Tehran TV]* 74
Iran: Dailies Criticize Decision To Toughen Sanctions *[IRNA]* 74
Iran: Commentary Highly Critical of Sanctions Bill *[Tehran Radio]* 75
Iran: American 'Arrogance,' Arab 'Humiliation' Claimed *[KAR VA KARGAR 4 May]* 75
Iran: Movement To 'Discredit' Revolution Figures *[KAR VA KARGAR 5 May]* 76
Iran: Mubarak's New 'Mission' in Region Criticized *[JOMHURI-YE ESLAMI 24 Jul]* 76
Iran: Press Criticized for Mistakes in Report on PRC Loan *[HAMSHAHRI 28 Jul]* 78
Iran: Embassy Denies Iran Seeking Nuclear Weapons Components *[IRNA]* 78
Iran: Khamene'i on Teachings of Islam *[Tehran Radio]* 78
Iran: Rafsanjani Hails Victories of Islam on Muhammad's Birthay *[Tehran Radio]* 80
Iran: Daily Views Iran's 'Successful Diplomacy' *[AKHBAR 28 Jul]* 81
Iran: Velayati Interviewed on Regional, International Foreign Policy *[IRAN 31 Jul]* 82

Iran: Zaynab Assembly Supports Nateq-Nuri for President *[SALAM 29 Jul]* 86
Iran: Majles Elects Deputies as Committee Observers *[HAMSHAHRI 28 Jul]* 86
Iran: Observers for Committee on Political Parties Elected *[RESALAT 29 Jul]* 87
Iran: Paper Urges Honest, Clean Election Campaign *[JOMHURI-YE ESLAMI 31 Jul]* 87
Iran: Ansar Demonstrate at Majles *[KAR VA KARGAR 22 May]* 87
Iran: President Says Government Ready To Implement Council Law *[SALAM 29 Jul]* 88
Iran: Turkish-Speaking Majles Deputies Set Up Own 'Society' *[AKHBAR 29 Jul]* 88
Iran: Inflation Rates Reviewed *[ETTELA'AT 19 May]* 88
Iran: Rising Bread Prices Criticized *[KAR VA KARGAR 4 May]* 89
Iran: Tehran Ready To Participate in Oil Projects in Asian States *[Tehran Radio]* 89
Iran: Efficiency Measures Save 900,000 Barrels of Oil By-Products *[ETTELA'AT 30 Jul]* 90
Iran: Need To Boost Domestic Production Discussed *[TEHRAN TIMES 30 Jul]* 90
Iran: New Plant in Esfahan Makes Iran Self-Sufficient in Cement *[Tehran Radio]* 90
Iran: Tehran District Mayor Cited on Development Projects *[TEHRAN TIMES 28 Jul]* 91
Iran: Basij Forces Launch 'Revival Week' *[ETTELA'AT 19 May]* 92
Iran: Military Exercises Held in Ardebil Province *[JOMHURI-YE ESLAMI 28 Jul]* 92
Iran: Article Views 'Red Line' of Press Freedom *[KAR VA KARGAR 4 May]* 92
Iran: Writers Association Criticized on GARDUN Publication Affair *[KAR VA KARGAR 4 May]* 93
Iran: Commentary on 'Red Line' of Freedom *[ETTELA'AT 6 May]* 94

Pakistan

Pakistan: Indian Border Firing Creates 'Havoc' Among Civilians *[Islamabad Radio]* 96
Pakistan: Bhutto Says Political Solution on Kashmir 'Inevitable' *[Islamabad TV]* 96
Pakistan: Parliamentary Committee Rejects Indian Kashmir Elections *[Islamabad TV]* 96
Pakistan: Islamabad Opposes Concept of UN Rapid Reaction Force *[Islamabad Radio]* 96
Pakistan: Opposition Leader Asks Government Not To Sign CTBT *[Islamabad Radio]* 97
Pakistan: Bhutto Vows To Foil Opposition Designs, Agitation *[Islamabad TV]* 97
Pakistan: PML-N 'Conditionally' Accepts Bhutto's Offer of Talks *[THE FRONTIER POST 3 Aug]* 97
Pakistan: Bhutto Pledges Efforts To Eradicate Unemployment *[THE NEWS 3 Aug]* 98
Pakistan: Domestic Debt Increases to 40 Percent of GDP *[THE NEWS 4 Aug]* 99
Pakistan: SBP Board Approves 1996-97 Credit Plan *[BUSINESS RECORDER 2 Aug]* 99

Islamic Affairs

Political Islam Review: AL-SHA'B 26 Jul

NC0508195596

[FBIS Report] The following is a comprehensive review of all items in the 26 July edition of the Cairo Arabic language newspaper AL-SHA'B that pertain to political Islamic issues.

CONTENTS:

1. Symposium on Arab Strategic Report for 1995
2. Liberal Party Leader Criticizes Beating of Journalists
3. MENA Chief Editor Mustafa Tharwat Dismissed
4. Writer Views Dispute Between Government, Muslim Brothers

SYMPOSIUM ON ARAB STRATEGIC REPORT FOR 1995

An unattributed 2,000-word report on page 4 sums up the discussions of the "Ninth Symposium on the Arab Strategic Report for the Year 1995." The symposium was held at the Political Research and Study Center of Cairo University from 21 to 22 July 1996. According to the report, the discussions affirmed that "a confrontation between the Arabs and Israel is inevitable, sooner or later." "Pessimism dominates the talks held since the Madrid Conference, especially recently, in addition to the continuation of the arms race, particularly by the Zionist side," the report adds. The discussions also criticized the "irregularities" in the 1995 Egyptian People's Assembly elections, which reduced the opposition to a 5.2 percent representation from a 25 percent representation in the 1987 house. The discussions noted that the Arab countries have "no clear economic policies" and that they prefer "partial solutions" of economic problems.

At the first session devoted to a discussion of the major developments in the world, Dr. Muhammad Sayyid Salim, a professor of international relations at the School of Economics, affirmed that the world is witnessing a "feverish race" between the major powers over spheres of influence, especially in the Arab region. He added that it is wrong to underrate Europe's role. On the contrary, "its role will gradually grow." Europe will become the "main competitor" of the United States, especially in the Arab region. The proof is the European-Mediterranean partnership, which has replaced the Middle East Market idea espoused by the United States.

At the second session, Assistant Professor Dr. Nivin Mas'ad said the strategic report "was biased" against Iran and used "harsh" language against it. The report focused on the "hardline" wing in Iran, ignoring the "moderate" wing there. It did not mention the "possibility of joint cooperation" between Iran and the Arab countries.

Engineer Muhammad Ma'mun accused the report of being "biased" against Sudan because it noted that Sudan played a "crucial" role in the assassination attempt against President Mubarak in Addis Ababa. The report did not mention that " U.S. intelligence was present at the scene of the crime." "When the Palestinian ambassador was wounded as he was leaving his house near the scene of the incident, a U.S. intelligence officer gave him first aid."

Major General Tal'at Musallam, rapporteur of the Labor Party Political Bureau, asked "how can Egypt criticize the Arabs' race to normalize relations with Israel when it seeks to have the headquarters of the proposed Middle East Bank in Cairo." This means that Egypt wants to "monopolize" this race.

The third session was devoted to the Arab-Israeli conflict and the future of the peace process. Statistics Professor Dr. 'Abd-al- Majid Farraj stressed that the "War has ended" slogan is incorrect because the arms race is continuing. There is a correlation between the arms industry and war. Another professor, Dr. Ahmad Yusuf Ahmad, said "the best way to prevent war is to prepare for it." Therefore, military preparations must continue even during negotiations.

LIBERAL PARTY LEADER CRITICIZES BEATING OF JOURNALISTS

On page 5, the newspaper prints a 300-word article by Liberal Party Leader Mustafa Kamil Murad in which he criticizes the beating of AL-SHA'B Chief Editor Majdi Husayn in "broad daylight." This is not the first time opposition newspaper chief editors have been attacked. Before this, AL-WAFD Chief Editor Jamal Badawi was also beaten. Murad says these attacks are a "black spot" on the page of democracy in Egypt. Putting an end to these "criminal acts," which are tantamount to "terrorism" is the duty of the interior minister. Concluding, Murad says these "barbaric attacks" will not stop the march of democracy or prevent the freedom of opinion.

MENA CHIEF EDITOR MUSTAFA THARWAT DISMISSED

An unattributed 120-word report on page 8 says Mustafa Najib, chairman of the board of directors of the Middle East News Agency (MENA), has issued an "arbitrary" decision dismissing MENA Chief Editor Mustafa Tharwat. The report adds that Tharwat has filed a judicial suit against Najib accusing him of embezzling 5 million

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

pounds. He also filed another suit before the State Council asking it to prove that Najib was retired in 1994, and hence should not continue to work for MENA.

WRITER VIEWS DISPUTE BETWEEN GOVERNMENT, MUSLIM BROTHERS

In a 1,500-word article on page 9, Dr. Rafiq Habib discusses the ongoing dispute between the Egyptian Government and the Muslim Brotherhood (MB) movement. He accuses the government of launching an innuendo campaign against the MB. Exploiting its control of the official media, the government thinks it can monopolize the truth but history does not accept this logic. History will write the truth, will pinpoint the aggressors and oppressors, and will vindicate the Muslim Brothers. The writer says the war against the Muslim Brothers began "timidly" in 1992 and culminated in 1995 and thereafter. The government is using "brutal force" against the Muslim Brothers, banking on support from the advocates of "westernization" and the "U.S.-Israeli hegemony." However, any fair person knows that the MB has a noble mission and is prepared to sacrifice everything in defense of this mission. The government has "fabricated" lies and accusations against the MB. It has resorted to extraordinary laws and "mock" military trials. In these military trials, the prosecutor is obstructing the Constitution while he accuses the defendant of obstructing it.

Palestinian Affairs

Palestinian Affairs: 'Arafat Addresses Jericho Masses on Peace

JN0208194496 Jericho Voice of Palestine in Arabic 1800 GMT 2 Aug 96

[FBIS Translated Text] His Excellency President Yasir 'Arafat said we are proceeding with firm, confident, and forceful steps to meet soon in Jerusalem, the capital of Palestine.

In a speech he delivered to a popular gathering which welcomed him in Jericho this morning, President 'Arafat said that Israel must abide by what it had signed. He emphasized that any delay in implementation will harm the entire peace process. His excellency the president said that peace is not only a Palestinian and Arab demand, it is also an Israeli and international demand.

Addressing the masses, the president said that the peace option was adopted in accordance with a Palestinian popular desire that we expressed through the legislative and presidential elections.

President 'Arafat praised the convocation of the Cairo Arab summit. He said: We managed through the summit to once again adopt new bases for Arab unity and march. His excellency the president praised the European Union countries' stands supporting the peace steps and Arab unity. He referred to the Arab summit which voiced support for the National Authority and the peace process in its final communique.

Palestinian Affairs: Israeli Decision on Settlements 'Categorically Denounced'

JN0208200196 Jericho Voice of Palestine in Arabic 1800 GMT 2 Aug 96

[FBIS Translated Excerpt] The National Authority categorically denounced the Israeli Government's decision to expand the settlements built on Palestinian territories, and to lift all constraints on settlement activity. Dr. Nabil Sha'th, minister of planning and international cooperation, said that this Israeli decision reveals Israel's ill-intentions and the dangers threatening the peace process. Dr. Sha'th said that continuing the settlement activity together with the Israeli measures to Judaize the occupied city of Jerusalem aim to impose the fait accompli.

Wahid al-Rayyis, deputy speaker of the Legislative Council, said that continuing the settlement activity in Palestine will lead to the collapse of the entire peace process. In an exclusive statement to our radio, he said that the Legislative Council will form a land committee that will include representatives from the various ministries. He noted that the committee will seek to set up the necessary projects on lands that are targeted by the settlement drive. [passage omitted]

Palestinian Affairs: Israeli Settlement Decision Termed 'Declaration of War'

JN0308161496 Jericho Voice of Palestine in Arabic 1300 GMT 3 Aug 96

[FBIS Translated Text] The Palestinian Information Ministry said that the Israeli Government's decision to lift restrictions on settlement building is tantamount to a declaration of war against the Palestinian people and their sacred land. It added that this decision totally conflicts with the Declaration of Principles, the Palestinian-Israeli agreements, the international peace charters, and the just peace which the world seeks to achieve in our region.

In a statement, the ministry said that this unjust Israeli decision is a new attempt to fill our country's fields with more herds of settlers, to scatter our citizens throughout the countries of the world, and turn them into refugees.

The statement called on Israel to revoke its decision and redress its stands in order to guarantee the continuation of the peace process. It also urged the peace cosponsors

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to immediately intervene to put an end to Israel's mockery of the peace process.

The Information Ministry called on our people to defend their land, comprehensively protest the attempts to steal land and usurp citizens' rights, to be more vigilant, and to unite to confront the settlement plan.

Palestinian Affairs: Fatah To Form Committee To Counter 'Settlement Onslaught'

JN0408192996 Jericho Voice of Palestine in Arabic 1800 GMT 4 Aug 96

[FBIS Translated Text] The Fatah Higher Committee in the West Bank today decided to form a committee to formulate a comprehensive, long-term program to counter the fierce settlement onslaught. It was decided that the Higher Committee would remain in permanent session until the program is prepared and endorsed.

The Higher Committee issued a statement today in which it condemned the ugly crime that was committed at a Nabulus investigation center. It also urged the National Authority [NA] to take every measure and inflict all punishment in order to guarantee the supremacy of the law and control the work of the security organs.

The statement warns of plots against the Palestinian national project, stressing the need to rally around and protect the NA as a nucleus for the establishment of an independent Palestinian state with holy Jerusalem as its capital.

The Higher Committee also voiced support for the Legislative Council's efforts to endorse the basic law and all the other laws, which will guarantee the building of the Palestinian institutions in accordance with the law. This will ensure the continuation of the national dialogue, as well as our people's drive to achieve their national and legitimate rights.

The statement also urges the Israeli Government to comply with all the accords reached with the Palestinian side and to start the final-status negotiations. It also warns the Israeli Government against destroying the peace process.

Palestinian Affairs: 'Arafat Message Expresses Concern Over Settlement Issue

TA0508065396 Jerusalem Qol Yisra'el in English 0400 GMT 5 Aug 96

[FBIS Transcribed Text] Palestinian Authority leader Yasir 'Arafat has sent a message to Prime Minister Netanyahu. In his message, 'Arafat expressed concern over the fate of the peace process in light of the Israeli Government decision to cancel the freeze on settlement activity in the territories.

Palestinian Affairs: Measures To Counter Israeli Settlement Policy Reported

JN0508062896 Jericho Voice of Palestine in Arabic 0500 GMT 5 Aug 96

[FBIS Translated Text] President Yasir 'Arafat presided over a Jerusalem Committee meeting at his Jericho office last night to continue discussion of and counter the Israeli Government's decision to lift the restrictions imposed on settlement activity. The meeting, which ended late last night, was attended by some ministers, Legislative Council members, and experts.

In a statement to the PALESTINIAN NEWS AGENCY, WAFA, the committee's secretary, Sa'ib 'Urayqat, said the meeting was held in compliance with the Palestinian leadership's decision to form a committee to follow and counter the Israeli decision and the new Israeli settlement plans in the Palestinian territories, particularly in occupied Arab Jerusalem and its environs. The Jerusalem Committee stressed that the arbitrary Israeli decision deals a deadly blow to the peace process and conflicts with the agreements signed by the two sides and with the letters of assurance. The committee also decided to adopt a host of measures, including diplomatic moves, to confront this decision. Accordingly, President Yasir 'Arafat will call for an emergency meeting of the Arab foreign ministers' council and the Jerusalem Committee. He will also approach the two sponsors of the peace process, the EU states, the UN secretary general, and the current Security Council president in order to explain to them the destructive effects of this Israeli decision.

The Jerusalem Committee also decided to form a committee to defend the land. The president will address an urgent message to Israeli Prime Minister Binyamin Netanyahu on the Palestinian position on the Israeli decision to lift the restrictions imposed on settlement activity.

Palestinian Affairs: Commentary on Israeli Decision To Cancel Settlement Freeze

JN0208144396 Jericho Voice of Palestine in Arabic 1100 GMT 2 Aug 96

[Political commentary by Mahmud Abu-al-Hayja': from the "Today's Events" program]

[FBIS Translated Text] Once again, we say that for peace to be possible, certain conditions have to be met. However, the settlement process, as well as the attempts to Judaize Jerusalem, the closure operations, and other Israeli practices and policies block these conditions. This indicates that the Israeli Government,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

led by Binyamin Netanyahu, is trying to strain the atmosphere and undermine the entire peace process.

Today, under the pretext of what the Israeli Government calls the natural development of settlement cities, the Israeli Cabinet, during its weekly session at noon today, canceled the decision to freeze the settlement process. What, then, is Israel's true position? There is no use playing with words. The heresy of natural development cannot conceal Israel's willingness to strain the atmosphere and tamper with the peace process. Playing with words in this regard exposes this willingness, which, in the final analysis, will not serve anybody except the enemies of peace, security, and stability.

If the Israeli Government continues this policy, it will lose much time, because it will be obliged to recognize that there can be no peace, security, or stability unless the Palestinians are content and their right to repatriation, self-determination, and the establishment of their independent Palestinian state with holy Jerusalem as its capital is recognized.

More importantly, facts indicate that an independent Palestinian state will be established and that the Palestinians in their homeland and under the flag of their National Authority are determined to establish their independent state. The so-called natural development of settlements, an unnatural process, will not be able to stand in the face of this free march, which is in line with the inevitable evolution of history.

Palestinian Affairs: Council Member Insists on Right To Open Jerusalem Office

JN0208183596 Jericho Voice of Palestine in Arabic 1144 GMT 2 Aug 96

[Telephone interview with Hatim 'Abd-al-Qadir, member of the Palestinian Legislative Council in Jerusalem, by Yusuf al-Mahmud in the studio; from the "Today's Events" feature—live]

[FBIS Translated Excerpt] [Al-Mahmud] Mr. Hatim 'Abd-al-Qadir, there was an uproar over the opening of your office in Jerusalem, and I believe it was in your house?.

['Abd-al-Qadir] True.

[Al-Mahmud] Israel says that opening offices for Legislative Council members in Jerusalem is a violation of the Palestinian-Israeli agreement. What is your comment on this?

['Abd-al-Qadir] In my opinion, this is a totally unacceptable argument because, according to the agreement between Israel and the PLO, we were elected to represent the Jerusalem constituency. Therefore, it is our right as elected representatives for Jerusalem to render services to those who elected us. This cannot be done unless we have an office and an address in Jerusalem so that people can come to us to solve their problems.

In my opinion, the Israeli media uproar is no more than an attempt to establish a political fait accompli. They seek to impose a fait accompli in Jerusalem. At the same time, they try to force the Palestinians to accept this fait accompli. We will not accept any Israeli political fait accompli in Jerusalem because Israeli is not alone in Jerusalem; we are in Jerusalem too.

[Al-Mahmud] Yes, Arab Jerusalem is the capital of the Palestinian state. Mr. Hatim 'Abd-al-Qadir, is the office rendering services to Jerusalemites now?

['Abd-al-Qadir] Yes, since yesterday morning. Hopefully, it will continue to render services to the citizens. The Israelis have not contacted me officially. It was through the mass media that I heard that they tried to storm the office, but it seems that they have a legal problem.

[Al-Mahmud] They have a legal problem? So they threatened to close down the office, but they could not do so?

['Abd-al-Qadir] Yes, I believe that they have a legal problem. They placed the ball in the court of the Palestinian Authority [PA]. They informed the PA that it should order me to close down the office. However, I believe that this issue has nothing to do with the PA because this office is not linked to it; it is the office of a parliamentarian. I will not succumb to any pressures to close down the office, because it is my right to open it. I believe that this office is part of the citizens' political dignity in Jerusalem. [passage omitted]

Palestinian Affairs: 'Arafat Meets U.S. Official, Holds News Conference

JN0508151696 Jericho Voice of Palestine in Arabic 1300 GMT 5 Aug 96

[Report by Rashid Hilal from Ramallah]

[FBIS Translated Text] President Yasir 'Arafat held a news conference at his residence in Ramallah this afternoon after his talks with (Stewart Agenstance), U.S. deputy secretary of commerce. The president stressed that the meeting was fruitful and important.

[Begin 'Arafat recording] The meeting today was constructive positive, and important. We discussed several economic issues in the Palestinian territories, and we are thankful for the U.S. support we always find in this regard. We will not forget that these efforts will bolster

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the peace process, which President Clinton is sponsoring.

On this occasion, I send my greetings to President Clinton and thank him for his support for us and for the peace process. [end recording]

With respect to King Husayn's meeting with Israeli Prime Minister Binyamin Netanyahu, his excellency the president said: I hope Jordan's monarch King Husayn will be able to convince Israel of the need to adhere to what was agreed upon and to implement the agreements so that we can push the peace process in the right direction. Regarding reactions to the expansion of the settlements, the president said:

[Begin 'Arafat recording] I sent Netanyahu a letter, and a copy of it to all of our friends, including the sponsors, the United States and Russia, as well as the European states, the United Nations, Egypt, Jordan, Syria, Saudi Arabia, all the Arab and Islamic states concerned. The letter tells them that what happened is a violation of our agreements because we agreed to freeze settlement activities and not to make any demographic, topographic, geographic, or human-related changes in these settlements during the interim period. [end recording]

Palestinian Affairs: Ramallah 'Closed Military Zone' During 'Arafat Visit

TA0508094796 Jerusalem Qol Yisra'el in Hebrew 0800 GMT 5 Aug 96

[FBIS Translated Text] Ramallah was declared a closed military zone this morning and the entry of Israeli citizens into the city is prohibited until further notice.

Our correspondent Yoni Ben-Menahem reports that the ban was imposed because Yasir 'Arafat is arriving in Ramallah today to meet with local notables and the heads of Palestinian institutions. Tomorrow, the Automomy Council is scheduled to hold a special meeting on the riots in Nabulus and Tulkarm.

Palestinian Affairs: Israel Urged To Resume Discussion of Refugee Problem

JN0408151296 Jericho Voice of Palestine in Arabic 1300 GMT 4 Aug 96

[FBIS Translated Text] The National Authority asked Israel to return to the negotiations on the refugees issue. It also criticized any attempt to suspend the work of the four-way committee under any pretext or reason.

Walid Zaqqut, director of the Negotiations Directorate and member of the Palestinian negotiating team on the refugees, told the PALESTINIAN NEWS AGENCY, WAFA, that the Israeli authorities use feeble excuses to stop the negotiations.

In a related development, Bakr 'Abd-al-Mun'im, Palestine's commissioner in Canada, met with (Andrew Robinson), director of the Middle East peace process department and head of the Refugees Group of the multilateral talks. They discussed the actions, meetings, and activities expected to be held in the future by the Refugees Working Group.

Palestinian Affairs: Abu-Rudaynah on 'Arafat's Cairo Visit, Mubarak's Letter

JN0508161796 Jericho Voice of Palestine in Arabic 1300 GMT 5 Aug 96

[FBIS Translated Text] President Yasir 'Arafat will leave for Cairo in a few days to meet with Egyptian President Husni Mubarak, according to Nabil Abu-Rudaynah, adviser to the president. Abu-Rudaynah said that the two president's meetings are part of their consultations and coordination, as stipulated in the Arab summit's resolutions, aimed at advancing the peace process.

Abu-Rudaynah said that President Yasir 'Arafat received a letter from Egyptian President Husni Mubarak today in which he briefed him on the results of his recent visit to the United States and his meeting with U.S. President Bill Clinton in Washington.

Abu-Rudaynah added that in his letter, the Egyptian president asserted the need for all parties to adhere to the land-for-peace principle and to Security Council Resolutions 242 and 338.

Palestinian Affairs: Sha'th Describes Netanyahu Remarks as 'Vague, Deceptive'

JN0608065196 Jericho Voice of Palestine in Arabic 0500 GMT 6 Aug 96

[FBIS Translated Text] Dr. Nabil Sha'th, minister of planning and international cooperation, has described the statements made by Israeli Prime Minister Binyamin Netanyahu as vague and deceptive.

In a statement to AL-AYYAM newspaper, Dr. Sha'th added that President 'Arafat informed the Jordanian brothers of the details of the Palestinian position, and of the facts regarding what is taking place on the ground. Sha'th went on to say: We within the National Authority are waiting to know the details of the meeting held between the Jordanian monarch King Husayn and Binyamin Netanyahu.

Sha'th said: We expected Netanyahu to declare in Amman that the Israeli occupation army would withdraw from Hebron. We also expected a commitment by Netanyahu on compliance with the agreements signed within a specific timeframe.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Sha'th also noted the Israeli campaign targeting the Arab and Palestinian identity of Jerusalem, especially the move to close the office of deputy Hatim 'Abd-al-Qadir. He added: Now that the Israeli Government is demanding the closure of Palestinian offices and institutions in Arab Jerusalem, we call for the closure of all Israeli offices there.

Palestinian Affairs: Hamas Official on PA Ties, 'New Intifadah'

JN0408195196 Paris AL-WATAN AL-'ARABI in Arabic 2 Aug 96 pp 30-31

[Interview with Muhammad Nazzal, Hamas representative in Jordan, by Malik Abu-Zayd; place and date not given]

[FBIS Translated Text] [Abu-Zayd] Two years have passed since President Yasir 'Arafat's arrival in Gaza. What is your evaluation of this event?

[Nazzal] The histories of peoples are not determined by personalities, but rather by significant events that contribute to the creation of new realities. It is true that several persons have entered the occupied territories since 13 September 1993. However, the catalyst that made this possible was the signing of the Oslo and Cairo accords, which we can evaluate.

In a nutshell, the Oslo accords have produced the following:

1. Aggravating the economic situation and living conditions of our steadfast people due to the continuous closures, the absence of planning, weak command, and the widespread financial and administrative corruption.

2. A state of animosity and estrangement within the ranks of the Palestinian people due to the continued detention of hundreds of Palestinians by the Palestinian Authority [PA] and its security agencies, which have used the same oppression methods used against prisoners by Shabak investigators. This has prompted prisoners to stage hunger strikes to pressure the PA into releasing them, as happened at the Nabulus jail.

3. Continued suppression of dissenting views, and putting human rights advocates in jail. Additionally, I would like to say that the state of basic liberties and journalistic freedoms has suffered, especially since the press is experiencing restrictions.

[Abu-Zayd] The PA leaders are experiencing a state of utter confusion due to Netanyahu's election win and the emergence of a Likud-led government allied with extremist parties. Do you believe that the situation in the self-rule areas will drastically change as a result of this in terms of closures, pursuit operations, and assassinations targeting Israelis and Palestinians alike?

[Nazzal] Undoubtedly, the confusion currently experienced by PA figures is caused by the alliance that existed between it and the Labor Party. It goes without saying that the Likud's rise to power will change the outlines of the Israeli-Palestinian relationship. Reports from the territories confirm that the new Israeli Government is planning to deal with the PA areas differently in terms of security, and that it is planning to pursue whomever it suspects of carrying out military attacks.

[Abu-Zayd] Several PA officials say Netanyahu would not have won, and Peres would not have lost the elections had it not been for your special [as published] military operations, or, to be more specific, for the painful operations carried out by the 'Izz-al-Din al-Qassam Battalions. In sum, these officials believe that Hamas [Islamic Resistance Movement] and the Islamic Jihad are responsible for Netanyahu's victory. How do you react to that?

[Nazzal] It is natural for any party which is facing internal problems to try to find an illusionary enemy in order to escape its dilemma and avoid any internal crisis. Regardless of whether Peres won or not, this would not have made any difference as far as the Palestinian situation is concerned. Here I wish to say that it was Peres who was procrastinating in the transfer of power in Hebron. He was the one who launched the Grapes of Wrath war. He was also the one who ordered the closure of the West Bank and Gaza, the liquidation of Palestinian resistance leaders, and the display of intransigence in the final-phase negotiations and over the issues of Jerusalem and the settlements.

We in Hamas believe that the existing conflict is not based on the person that governs the Zionist entity, but on clear principles. Therefore Hamas is pursuing its program, regardless of those who are trying to distort the movement's position.

[Abu-Zayd] Do you subscribe to the argument of some PA officials that if Netanyahu and his government implement the policy program, which made them win the elections, particularly as regards Jerusalem, the settlements, and other issues, then something even greater than the intifadah will happen. And, considering the policy pursued by the Palestinian security agencies and their effective pursuit of the active members of Hamas and the Islamic Jihad, do you see any possibility for future cooperation between Hamas, the Islamic Jihad, and Fatah to launch a new intifadah?

[Nazzal] In fact, if there was to be another intifadah, then I wonder against whom it will be directed? I

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

believe it will be against he who sent hundreds of Palestinian young men to prisons and who gave his executioners a free hand to torture them, against he who deprived people of making a living and imposed taxes at a rate higher than that imposed by the occupation authorities, and against he who violated the sanctity of homes and mosques and who unleashed his security agencies to search every home and mosque under the pretext of searching for weapons. All these acts provide good grounds for an new intifadah. Having said that, I believe there are many honorable figures who reject the PA's policy and who wish to see an end to the tragic conditions facing our people.

[Abu-Zayd] Is there any new development in your relations with the PA and its security agencies. Are there still many Hamas activists in jail?

[Nazzal] There is nothing new in the relationship with the PA. There are hundreds of prisoners in jail who are held behind bars without any charges. The PA interrogators are still torturing Palestinian young men. In fact, we expect the PA's repressive measures to intensify after the election of Netanyahu, especially since he underlined on several occasions that the PA must implement its commitments, particularly those related to the security aspect.

[Abu-Zayd] Did you or the PA initiate any contacts after Netanyahu's victory? Do you intend to resume the dialogue with the PA?

[Nazzal] There are contacts with the PA inside the Gaza Strip. But so far there has been no progress because of the PA's intransigence and because of the absence of a real sincere desire to hold dialogue.

[Abu-Zayd] Do you believe that the current course of events, particularly the Israeli Government's intransigence, will lead to a sincere rapprochement between the Palestinian opposition and 'Arafat?

[Nazzal] This should take place under normal circumstances. However, the nature of the agreements which were signed between the PA and the Zionist entity dictate the PA's way of dealing with the opposition. Even if the PA seeks rapprochement, the restrictions; namely, the agreements, will prevent it from doing so. Moreover, our understanding of the PA's mentality makes us realize that this leadership is purely opportunistic regarding its dealing with other forces. It could not care less about the concepts of national unity and affiliation, which makes the achievement of any real progress impossible.

[Abu-Zayd] What is your assessment of the situation in the region, particularly the latest developments in Turkey and Erbakan's assumption of the post of prime minister?

[Nazzal] The Welfare Party's assumption of power is undoubtedly a prominent event on all levels. We hope the party will be able to bring prosperity and progress to Turkey and to establish good relations with the Arab and Islamic countries.

[Abu-Zayd] In your opinion, will the U.S.-Israeli relations deteriorate further, taking into consideration that the United States still emphasizes the land-for-peace principle while Netanyahu stresses the security-for-peace principle? Will the Clinton-Netanyahu summit witness complications or relaxations as one is used to regarding the U.S.-Israeli file?

[Nazzal] The U.S. Administration's bias toward the Labor Party candidate, Shim'on Peres, during the recent elections was clear. However, it has set Netanyahu's victory as one of its priorities. It decided to cooperate with him and support him. It said that it will not pressure Israel and that it will support its policies. It has also signed an agreement, which it considered a gift to Netanyahu, on developing joint defense systems. The U.S. Administration, which is obsessed with the upcoming presidential elections, realizes that it has put all its eggs in the Labor Party's basket. This is why it hastened to please the Likud in an attempt to win the support of the Jewish lobby in the United States. We do not rule out that the United States will provide further support to the Netanyahu government.

[Abu-Zayd] What is the latest in the situation of brother Musa Abu-Marzuq? Does the United States insist on extraditing him to Israel, or are there pressures which would make it change its stand?

[Nazzal] There is nothing new in Dr. Abu-Marzuq's case. After a decision was made to extradite him, his case is still revolving in a vicious circle pending the court of appeal ruling.

[Abu-Zayd] Will you please clarify Hamas' position on some Palestinian, Arab, and international issues?

[Nazzal] On the Palestinian level, Hamas has a clear-cut stand. It wants to maintain resistance against the occupation and to secure the release of all prisoners from occupation or PA jails. Hamas is also trying to find allies from all the Palestinian forces to confront the occupation. On the Arab level, Hamas is working to enhance solidarity among the Arab countries, enlighten the Arab and Islamic nations on their cause, and to close ranks to oppose normalization with the Zionists. On the international level, Hamas is trying to explain its cause to international circles and expose the practices of the Zionist occupation to the world public.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Abu-Zayd] A statement was distributed in the name of Hamas urging an alliance with Fatah to launch a new intifadah against occupation forces in Jerusalem and Hebron. Do you confirm the statement?

[Nazzal] Hamas is eager to continue resistance until the Palestinian people regain their full rights. Hamas wants the intifadah to be resumed. Nobody can deny Fatah's historic role, which we want to be activated.

[Abu-Zayd] After Netanyahu's election, the Arab regimes held an emergency summit meeting in Cairo, warned the Israeli Government, and gave it time to clarify its positions. Do you believe that Netanyahu's positions became clear after his visit to the United States, and do you expect any radical changes in the positions of the Arab countries, especially Egypt, Palestine, and the Gulf states?

[Nazzal] There is no doubt that the Cairo summit was a good step toward a more coherent Arab stand against the Zionist tyranny and arrogance. However, we do not believe circumstances are ripe for radical changes due to the nature of developments in the region and the world.

[Abu-Zayd] You have a clear-cut position on the PA, and you have always avoided intra-Palestinian fighting. What will you do if the Israeli undercover units like Samson resume, as expected, assassinations against your elements as they did during the intifadah?

[Nazzal] The self-rule authority is responsible for security in the West Bank and Gaza, and it has to make security arrangements to prevent assassination attempts like those that took place against Hani 'Abid, Yahya 'Ayyash, and others. The situation is expected to explode anytime, and the PA will be held responsible for such an explosion.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Algeria

Algeria: Prime Minister Urges Other Parties To Join Government

LD0508222796 Algiers ENTV Television Network in Arabic 1900 GMT 5 Aug 96

[FBIS Translated Excerpt] At his first news conference, attended by press, radio, and television correspondents, Prime Minister Ahmed Ouyahia revealed facts with which the citizens are faced, in an Algeria which has defeated terrorism and which is today fighting the remnants of this terrorism. Mr. Ouyahia gave a positive opinion on a coalition government. As regards the media, the prime minister said that paying attention to this sector is a duty. Over to Sami Nazih with this report:

[Nazih] At this news conference, the prime minister's replies dealt with the facts which the citizens were faced with in the context of the current changes in the country. Regarding the phenomenon of terrorism, the prime minister said that Algeria has defeated the attempt to undermine its stability and that it is now fighting the remnants of terrorism. Therefore, he added, we must remain vigilant to confront the diabolical behavior which is continuing.

The prime minister also said that terrorist operations are not restricted only to Algeria but are an international phenomenon. He added that Algeria has won major victories over terrorism, not only by defeating the terrorist groups but through the increasing number of repenters, in addition to the citizens' condemnation of terrorism and consequently the loss of the support network.

[Begin Ouyahia recording] I can say that Algeria has defeated the attempt aimed at undermining its stability. The credit does not go only to all the security services — and I seize this opportunity, on behalf of the government, to hail their mobilization and their efforts and to pay tribute to our martyrs from the various security forces who have died in the defense of the homeland. I said that I would not stop there: Algeria defeated the attempt to undermine its stability because its people have broken the siege of terrorism, have understood the truth, and held their heads high. [end recording]

[Nazih] As for broadening the coalition government, Ahmed Ouyahia said that it is not a new idea, since it was proposed by Mr. Liamine Zeroual, president of the republic, in August 1994. Mr. Ouyahia reminded those present that two political parties [the Rally for Culture and Democracy and the Islamic Society Movement — HAMAS] were already represented in his government. He added that he hopes to see other political parties join [his government] in order to help resolve the crisis facing Algeria.

As for the media, the prime minister stressed the need to give attention to the public and independent media without any exception, particularly the "heavy media," such as the radio and the television which, he added, should be dealt with objectively.

Regarding diplomacy, Mr. Ouyahia assessed the visit of the French [foreign affairs] minister to Algeria as being positive, particularly regarding some principles and frameworks which the Algerian authorities had announced on several occasions. Mr. Ouyahia added that the French foreign minister had said that his country was also committed to these principles, namely mutual respect, common interest and continuous consultation. Mr. Ouyahia regarded these rules as the slogan of Algerian diplomacy toward foreign countries. [passage omitted]

Algeria: Prime Minister Says Country Facing 'Social and Economic Crisis'

LD0508182796 Algiers Radio Algiers Network in Arabic 1700 GMT 5 Aug 96

[FBIS Translated Text] At the news conference he held today, Prime Minister Ahmed Ouyahia said that the country is currently facing a multifaceted social and economic crisis that required [the government] to give a full picture of it and an assessment of the results obtained in order to overcome this crisis. The prime minister added that the country is working and achieving [results], and that the citizen had to be aware of the developments and also respond to those attempts, made for various reasons, that are aimed at sowing intrigues, confusion, or destroy morale.

Regarding the economic aspects, the prime minister said that the non-hydrocarbon exports were worth $418 million between January and the end of July 1996, compared to $283 million for the same period last year. The prime minister added that non-hydrocarbon exports could reach $2 billion by the year 2000.

Regarding privatization, Ahmed Ouyahia said the privatization process started by several state-owned sectors has resulted in the sale of 10 state companies to private operators. He also announced that the files of 20 other companies eligible for privatization will be put forth for general discussion soon.

Regarding taxation, the prime minister said that following the setting up of a body to combat tax fraud, 107 cases had been referred to the courts since January 1996 for tax fraud, in addition to 376 other cases of tax adjustment concerning importers, and 1,890 cases relating

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to property deals. Mr. Ouyahia said these results did not cover all the fraud cases, adding that the joint ministerial committee in charge of combatting tax fraud, set up in April 1996, had drawn up the regulatory texts that will help combat all forms of tax fraud and evasion.

Algeria: Prime Minister Defends Policies at News Conference

LD0508163196 Algiers Radio Algiers Network in Arabic 1200 GMT 5 Aug 96

[FBIS Translated Excerpt] Prime Minister Ahmed Ouyahia today held his first news conference since he took office last January. This news conference follows the presentation, by the prime minister to the Transitional National Council, of the results of his government's activities during the first six months of the current year. From the Government Palace, Nourredine Messadak sent this report:

[Messadak] If the government of Ahmed Ouyahia has been labelled as the government which is making unpopular decisions, it has adopted an open attitude by taking the decisions which had to be taken. In total frankness, the prime minister said he was fully responsible for his government's decisions and added that he is against demagogy and hypocrisy.

As an example, the salaries' issue [government's attempt to take a percentage of salaries from public sector workers to pay those who not had been paid for months] was not a popular decision, but the prime minister stressed that when faced with harsh solutions to handle the budget deficit, we decided to choose the least harmful solution.

The destruction of slums was also not a popular decision. The prime minister revealed some truths by saying that some of those evicted had been granted houses, but returned to their slums.

More than this, Ahmed Ouyahia announced he is determined to fight against anarchy, not just terrorism. Regarding the issue of building houses, the prime minister gave figures by saying that the authorities concerned had put 15,000 houses up for sale. He added that this does not mean the state has given up its policy of promoting social housing. [passage omitted]

On the social front, the prime minister wondered about the concept of social explosion raised by some circles and said this concept emanated from dishonorable political competition whose authors aspired to reach power. He gave the figure of 189 billion dinars as support for the social policy [of the state]. He stressed that social justice and solidarity are not merely slogans, because the government is determined to increase its support [for the social policy]. He gave the example of subsidies for food and said that if some of the citizens have benefited from it, smugglers have also done so, but in greater proportion.

Algeria: Funeral Service Held for Murdered Oran Bishop

LD0508150096 Algiers Radio Algiers Network in Arabic 1200 GMT 5 Aug 96

[FBIS Translated Text] The commemorative celebration in honor of Pierre Claverie, the bishop of Oran, who was assassinated with his driver last Thursday [1 August] in a bomb explosion at his residence in Oran, started at Oran [Catholic] Diocese today. The ceremony started with the attendance of an official Algerian delegation led by Interior Minister Mustapha Benmansour and was attended by the minister of religious affairs, national political personalities, the ambassador of France to Algeria, as well as many Christian personalities. Let us hear a report by Hassan Ghanemi from Oran:

[Ghanemi] The funeral ceremony for the bishop of Oran, Bishop Pierre Claverie, who was assassinated with his driver Mohamed Bouchikhi on the night of Thursday to Friday [1-2 August] following an explosion of a bomb at Oran Diocese situated at Sainte Eugene district [Oran], was held this morning. The funeral ceremony of the bishop of Oran was held at Oran Diocese this morning amid an atmosphere of mourning characterized by sadness and regret over the loss of this Christian personality, who had expressed earlier his wish to die in Algeria where he spent about 15 years in office as bishop of Oran.

It is worth mentioning that the ceremony of symbolic burial held at Oran diocese was attended in particular by the French ambassador, many Christian personalities, the interior minister, the minister of religious affairs, as well as a number of national political personalities, who came to present their condolences to the Christian community for the loss of Oran Bishop Pierre Claverie.

It is worth mentioning that the ceremony of symbolic burial of Pierre Claverie will be followed by a news conference, and the delegations that came to present their condolences will be given live testimonies of the life of this religious personality, who preferred not to leave Algeria regardless of the costs.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Egypt

Egypt: Papers Note Mubarak U.S. Visit Beginning To Bear Fruit

NC0408212696 Cairo MENA in Arabic 1950 GMT 4 Aug 96

[FBIS Translated Text] Cairo, 4 Aug (MENA)—In their Monday [5 August] issues, Cairo newspapers assert that President Husni Mubarak's recent visit to Washington has begun to bear fruit on the political and economic levels.

An editorial in AL-AHRAM says that the economic success of President Husni Mubarak's visit to Washington is no less important than the political success. It notes that Egypt will soon sign an agreement with the IMF over its new economic reform program.

AL-AHRAM refers to the U.S. Vice President's promise to get legislation passed in October that will exempt Egyptian imports from tariffs pending further discussions on a free trade agreement between Egypt and the United States on lines similar to the agreements between the United States and Turkey and Israel. The paper asserts that Mubarak's Washington visit opened broad prospects for active economic cooperation with the United States that goes beyond the concept of financial aid to actual and successful implementation of the partnership concept.

In a similar comment the newspaper AL-AKHBAR says that positive results of Mubarak's visit to Washington have begun to be seen. It cites the announcement that a final draft of the economic reform agreement between Egypt and the IMF has been reached. It will allow Egypt to ask the Paris Club to write off the third segment of Egypt's foreign debt which amounts to approximately $4 billion.

The paper says this agreement was the product of a meeting that President Mubarak held with IMF officials in Washington. It notes that the final draft of the agreement will be submitted to the IMF Board of Governors when it meets in October.

AL-AKHBAR stresses that reaching such an agreement is a big success for Egypt, particularly as it did not require Egypt to make any concessions.

The newspaper AL-JUMHURIYAH comments on the political results of Mubarak's Washington visit, affirming that the first of these results is apparent in the current earnest efforts in the region to resume the peace process. It points out that President Mubarak has given various instructions to his subordinates to carry out diplomatic moves on the regional and international scenes.

AL-JUMHURIYAH also points to the inter-Arab communications that will be used to coordinate stands, brief the Arab leaders on the results of the visit, and learn their views on current affairs.

The paper says that President Mubarak will meet with Syrian President Hafiz al-Asad and Palestinian President Yasir 'Arafat. He will also meet with the Israeli prime minister and send letters to several Arab leaders.

Egypt: Information Minister Brings Message From al-Qadhdhafi

NC0608051596 Cairo Arab Republic of Egypt Radio Network in Arabic 0400 GMT 6 August 96

[FBIS Translated Text] Brother Colonel Mu'ammar al-Qadhdhafi, leader of the Libyan Revolution, has sent a message to President Husni Mubarak with Information Minister Safwat al-Sharif, who left Tripoli for Cairo after a two-day visit. Al-Sharif said the message deals with the future of the peace process in the region, bilateral relations, and a number of Arab and African issues of mutual interest.

During his visit to the Libyan Jamahiriyah al-Sharif conveyed a message from President Mubarak to the brother colonel on the results of his recent visit to the United States. Mubarak's message also contained the discussions held on the Lockerbie issue during his U.S. visit and his efforts to bring the points of view closer regarding this issue.

Egypt: Information Minister Comments on Message Conveyed to al-Qadhdhafi

NC0508075796 Cairo MENA in Arabic 0530 GMT 5 Aug 96

[FBIS Translated Text] Tripoli, 5 Aug (MENA)—Information Minister Safwat al-Sharif has stated that he conveyed a message to brother Colonel Mu'ammar al-Qadhdhafi, leader of the Libyan revolution, from President Husni Mubarak. The message deals with the outcome of President Mubarak's recent visit to the United States and his talks with U.S. officials regarding the Middle East and the comprehensive and just peace, within the framework of the resolutions adopted by the Arab summit held recently in Cairo. This came in a statement by Safwat al-Sharif following his meeting with Col. Mu'ammar al-Qadhdhafi, as President Mubarak's special envoy, last night.

Al-Sharif said that Mubarak's message contains everything that was discussed during President Mubarak U.S. visit, particularly the Lockerbie case and his efforts to bring the points of view closer concerning this case. The information minister pointed out that the letter also

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

dealt with a number of issues of mutual interest as well as an exchange of views on all political and social levels. He added that brother Col. al-Qadhdhafi gave him a message for President Mubarak on the future of the peace process, bilateral relations, and a number of Arab and African issues of mutual interest.

Al-Sharif pointed out that his visit to the Libyan Jamahiriyah comes within the context of the exchange of views in the interests of both countries and the Arab nation.

The information minister expressed his heartfelt congratulations to the Libyan people on the occasion of the completion of the Great River project, emphasizing that it is project which will promote the march of progress and development. He added that every large project established, whether in Egypt or Libya, is an achievement and a boost for the other country.

The meeting was attended by Egyptian Ambassador to the Libyan Jamahiriyah Amad Wahdane.

Egypt: Commentary Attacks Israel's New Move on Settlements

NC0408141896 Cairo Arab Republic of Egypt Radio Network in Arabic 1140 GMT 4 Aug 96

[Commentary by Muhammad al-Sa'id Fa'iq: "Israel's Policy on Settlements Undermines the Peace Process in the Region"]

[FBIS Translated Text] The Israeli Government's decision the day before yesterday, falsely called a decision to ease restrictions on building new Jewish settlements in Palestinian territories, is in fact a decision primarily aimed at undermining the Middle East peace process. Whether the Israeli Government calls it a decision to ease restrictions or to cancel restrictions, it actually contravenes all the basic tenets of peace and violates the legitimate principles and points of reference which the parties to the peace process have accepted and adhered to.

The decision also contains several misinterpretations and is tantamount to showing bad intentions. This is because Israeli Prime Minister Netanyahu is trying to beautify and minimize its abuses and drawbacks by claiming that it seeks to correct what he regarded as a violation of the natural growth of settlements and discrimination against Jewish settlers by the previous government.

These justifications by the Israeli Government are fallacious challenges that demand our indignation and angry rejection, as shown by opposition demonstrations and the protests of peace groups inside Israel itself against this decision, calling it a stab in the back for peace. It is an act of shameful arrogance for the Netanyahu government to make this decision while the Palestinian Authority Council was getting ready to discuss Israel's violations of the holy places in Jerusalem and infringements on the transitional-phase agreements, especially regarding withdrawal from Hebron, the intensification of settlement activities, and confiscation of Palestinian land.

It is truly awkward for the Israeli Government to claim that it desires peace and to insist to the public inside and outside Israel that it is eager for peace and then to adopt decisions that try hard to destroy the peace process, take the peace accords with the Arabs out of context, and absolve itself of its obligations and commitments.

Such a decision by the Israeli Government, no matter how it tries to lessen its ills, is still a flagrant violation of the peace accords and a blatant departure from the basics and the points of reference of the peace process, and violates the previous Israeli government's commitments. It is also a step in the wrong direction.

Israel will be making a big mistake if it imagines it can impose on the Arabs its erroneous concept of an incomplete peace. Israel is dreaming if it thinks it can find a peace that will give it security but entails designs on other people's land and intentions to impose its will by the force of arms. Such a concept only lives in the minds of extremists and dreamers and those captive to obsolete beliefs and myths.

The message of peace sent from Cairo by the recent Arab summit is a civilized message asserting the Arab peoples' desire for a comprehensive and just peace. It is a peace based on international legitimacy's resolutions, the Madrid conference framework, and the principle of land for peace. It is the same message President Husni Mubarak, on behalf of all the Arabs, presented to the United States in its capacity as a cosponsor of the Middle East peace process.

Proceeding from this genuine and realistic concept of peace, we say that Israel's latest decision is replete with negative aspects and will have a serious and adverse impact on the peace process. Moreover, it practically amounts to a true attempt to undermine and nullify the peace process and push the region again toward violence, rejection, and hardline tactics.

There is great hope that the Arabs' civilized message will get across to the political leaders in Israel before the chances for a real peace are lost in the fires of violence and a flood of rejection and extremism.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Egypt: AL-AHRAM Warns of Israeli Settlement Policies

NC0408073896 Cairo MENA in Arabic 0600 GMT 4 Aug 96

[FBIS Translated Text] Cairo 4 Aug (MENA)—AL-AHRAM warns against the Israeli Government's decision to revoke the restrictions on the expansion of Jewish settlements in the West Bank and Gaza Strip. The paper asserts that this decision is bound to increase the existing tensions in the Palestinian territories and create new generations of Palestinian people to resume the legitimate national resistance operations against the policies of the occupation government.

The paper says in its editorial today that this kind of climate does not serve the peace process and constitutes a prelude to acts that are, in essence, reactions to the extremist policy of the occupation government. It adds that this climate will probably push the region into a new cycle of violence that would destroy the peace and security formula held by the current Israeli Government.

Al-AHRAM emphasizes that Israel and its people will not feel secure in this kind of atmosphere. The paper asks what does the Government of Israel want exactly?

Egypt: Arab Foreign Relations Committees Term Israeli Settlement Policy 'Obstacle'

NC0408205096 Cairo Arab Republic of Egypt Radio Network in Arabic 2000 GMT 4 Aug 96

[FBIS Translated Text] The chairmen of the People's Assembly's Arab and Foreign Relations Committees have warned of the seriousness of Israeli Prime Minister Binyamin Netanyahu's announcement about the reversal of the decision to freeze the building of Jewish settlements in the West Bank and the Gaza Strip, which signifies the nullification of the former Israeli government's decision to halt settlements in the occupied territories.

The committee chairmen noted that this poses a major new obstacle to the Middle East peace process. In remarks to Cairo Radio's news correspondents, they said that the Israeli prime minister's announcement contravenes the Oslo Agreement and UN resolutions. They urged Israel to retract its latest decision for the good of the peace process, particularly at this particular point in the negotiations.

Egypt: Foreign Ministry Official Says Settlement Policy To Be Talks' Main Topic

NC0408151096 Cairo MENA in English 1443 GMT 4 Aug 96

[FBIS Transcribed Text] Cairo, 4 Aug (MENA)—Reports on facilities to be provided by the Israeli Government to expand settlements in the occupied territories confirm the reasons of fear expressed by every party concerned with realizing stability and promoting the Mideast peace process, senior Foreign Ministry official said today.

Such issue will be one of the main topics which Egypt will discuss with the Israeli Government, Assistant Fore.gn Minister for European Affairs Ambassador Fathi al-Shadhili added.

This decision regarding settlements proves that the Israeli Government is still being influenced by election campaigns launched by Likud leaders before assuming power, Ambassador al-Shadhili said.

I cannot still determine how far these reports are serious, he added, pointing out that these are negative and have their serious consequences on the peace drive. He urged Israel to create better atmosphere for maintaining the peace process in the light of Arabs' keenness on peace as an Arab strategy.

Egypt: Ambassador Denies Israeli Report on Coordination With Egypt

JN0508204296 Jericho Voice of Palestine in Arabic 1120 GMT 5 Aug 96

[Telephone interview with Muhammad Basyuni, Egyptian ambassador to Israel, by 'Arif Salim in Jericho, on the "Today's Event" program—live]

[FBIS Translated Excerpt] [Salim] Israeli press sources published a report today that Israeli Prime Minister Binyamin Netanyahu had previously coordinated with Egypt, Jordan, and the U.S. Administration on the decision to cancel restrictions on settlement expansion activities. What is your comment?

[Basyuni] As far as the settlement issue is concerned, Egypt's position is clear and explicit, whether in terms of setting up new settlements or expanding the existing ones. We believe this activity in all its forms is an extremely large obstacle that stands in the path of peace.

There are agreements with the former Israeli Government on the issue of settlements. Both sides agreed not to build any new settlements and not to expand the existing ones. They also agreed that there will be no government funding of any settlement activities. No doubt,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

this agreement with the former government should be binding for the new government.

Article 31 of the interim agreement stipulates that both sides agree that no party will take unilateral steps or measures to change the status quo in the West Bank and the Gaza Strip before the final- status negotiations are held. [passage omitted]

Egypt: Foreign Ministry Denies 'Coordination' on Settlements

MM0608094596 London AL-HAYAH in Arabic 6 Aug 96 p 5

[Unattributed report: "Egypt Denies Coordination With Israel Over Expansion of Settlements"]

[FBIS Translated Text] Cairo, AL-HAYAH — Egypt has denied reports carried by the Israeli media yesterday to the effect that there had been coordination between Cairo and Tel Aviv over the Binyamin Netanyahu government's decision to resume settlement expansion activities.

An official Egyptian Foreign Ministry source has told AL-HAYAH that these reports are untrue and conflict with Egypt's clear position, which condemns the decision, considers the settlements the biggest obstacle in the way of the peace process, rejects the status quo policy, and stresses the need to adhere to the Madrid formula.

Libya

Libya: Chinese Parliamentary Delegation Arrives in Tripoli

LD0408210496 Tripoli Libyan Television Network in Arabic 2000 GMT 4 Aug 96

[FBIS Translated Text] Zhu Qizhen, member of the Standing Committee of the National People's Congress and vice chairman of the National People's Congress Foreign Affairs Committee, and the delegation accompanying him arrived in Tripoli this evening on a visit to the Great Jamahiriyah. The Chinese delegation was greeted by the brother secretary of external affairs at the Secretariat of the General People's Congress.

In a statement to JANA, Zhu Qizhen reaffirmed the strength of bilateral ties existing between the two friendly peoples in the Great Jamahiriyah and China. He added that this visit to the Great Jamahiriyah is aimed at strengthening and developing relations between the Secretariat of the General People's Congress in the Great Jamahiriyah and the National People's Congress in China.

Libya: Visiting Chinese Parliamentary Delegation Discusses Relations

LD0508214196 Tripoli Libyan Television Network in Arabic 2000 GMT 5 Aug 96

[FBIS Translated Text] The brother secretary for foreign affairs at the General People's Congress had a meeting this morning in Tripoli with Mr. Zhu Qizhen, member of the Standing Committee of the National People's Congress of China, and vice chairman of the Foreign Affairs Committee of the Chinese National People's Congress. They discussed cooperation between the Secretariat of the General People's Congress and the Chinese National People's Assembly and ways of strengthening and promoting them.

Moreover, the secretary of the General People's Committee for Foreign Liaison and International Cooperation had a meeting in Tripoli this afternoon with Mr. Zhu Qizhen and the delegation accompanying him, who are currently on a visit to the Great Jamahiriyah. Mr. Zhu Qizhen reiterated China's support for the position of the Great Jamahiriyah on the so-called Lockerbie case and reaffirmed his country's rejection of the unjust measures imposed on the Great Jamahiriyah. He also reaffirmed China's support for the resolutions passed by regional and international organizations, including the Arab League, the OAU, the Organization of the Islamic Conference, and the Non-Aligned Movement which support the Great Jamahiriyah regarding the so-called Lockerbie case.

For his part, the secretary of the General People's Committee for Foreign Liaison and International Cooperation expressed the Great Jamahiriyah's appreciation for the positions of China in favor of the Libyan Arab people in various international arenas. During the meeting, the brother secretary and Mr. Zhu Qizhen stressed the need to bolster cooperation between the Great Jamahiriyah and China in various fields.

Libya: Libyan Air Force Ends Live Ammunition Exercises

LD0208143296 Tripoli JANA in English 1414 GMT 2 Aug 96

[FBIS Transcribed Text] Tripoli, Hannibal [August] 2 JANA — Libyan Arab Air Force ended the live ammunition manoeuvres which lasted several days and included a mock landing on a selected point on the Libyan coast aiming at destroying it and defeating the enemy with the participation of all kinds of war aeroplanes. The pilots hit their specefic targets with precesion.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

At the conclusion of the manoeuvres, a celebration was held in one of the air bases and attended by many of the co-ordinators of the social poeple leaderships.

During the celebration many speeches were given which praised the role of the manoeuvres in developing the fighting effeciency of pilots and technicians in the Libyan Air Force as well as developing the level of the fighting ability for confronting any future real battle .

The leader of the revolution awarded the pilots and technicians who took part in these manoeuvres with medals of training from the first class.

At the conclusion of the manoeuvres, the rank and file in the Libyan Air Force sent a cable to the leader in which they renewed their loyalty and allegiance to the leader and offered him congratulations for the 27th anniversary of the great al-Fatih revolution and concluded their cable by promising to defend the leader and the great al-Fatih revolution.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Iraq: UN Envoy Urges 'Pressure' on U.S. To Approve List

JN0608113596 Baghdad INA in Arabic 1000 GMT 6 Aug 96

[FBIS Translated Text] New York, 6 Aug (INA) — Iraq urged nonaligned members of the Security Council to put pressure on the United States to speed up the adoption of a list of procedures presented to Sanctions Committee 661 to implement the memorandum of understanding. Nizar Hamdun, Iraq's permanent UN envoy, met with nonaligned ambassadors here yesterday. He told them that U.S. obstruction of the adoption of this list has increased the Iraqi people's economic suffering by causing additional negative effects. He said all member states on Sanctions Committee 661 have approved the list of procedures that allows the implementation of the memorandum of understanding. However, the United States has obstructed the list for more than two months.

Ambassador Nizar Hamdun met yesterday morning with a number of UN ambassadors. He is scheduled to meet other ambassadors today. The nonaligned countries that are now members of the Security Council are Egypt, Indonesia, Honduras, Chile, Guinea-Bissau, and Botswana.

Iraq: 'Coup Attempt' Executions Said To Have Reached 122

MM0508130696 London AL-SHARQ AL-AWSAT in Arabic 5 Aug 96 p 2

[Unattributed report: "Iraqi Opposition Says 122 Officers Accused in Coup Attempt Have Been Executed"]

[FBIS Translated Text] Amman, AL-SHARQ AL-AWSAT — Informed Iraqi sources in the Jordanian capital Amman have said that a campaign of executions is still being waged by the Iraqi authorities against a large number of Iraqi officers suspected of involvement in a coup attempt against President Saddam Husayn. They said that so far at least 122 officers of various ranks have been executed.

In early July, there was a wide-ranging campaign of investigations and interrogations in many parts of Iraq involving large numbers of Iraqi Army officers in the Air Force, Infantry, and Armored Corps and supervised by Qusayy, President Saddam Husayn's younger son, in his capacity as the official in charge of the special security organ.

Previous reports said that the campaign followed the discovery of an attempt to assassinate the Iraqi president and topple his regime.

The sources said that most of those who were arrested and interrogated were sentenced to death without trial and without even seeing their families after their arrest.

Iraqi opposition sources in Amman, Damascus, and northern Iraq said that so far over 122 officers have been executed and that the bodies of 12 of those were delivered to their families in Mosul in northern Iraq, where the Iraqi security authorities arrested a large number of officers from the area, in addition to some Air Force officers from the al-Habbaniyah base (to the west), and some officers from military locations in Baghdad (al-Rashid barracks), the 4th Corps near al-Basrah (to the south), the 1st Corps near Karkuk (to the north), and the 2nd Corps near Diyala (to the east).

The sources said that Brigadier General 'Abid Mutlaq al-Juburi, who was detained and released last summer, was recently executed in the recent executions campaign.

The sources stressed that anxiety and chaos prevail in Iraqi Army units because of the arrests and interrogation of all military personnel, including junior officers, suspected by the investigation committees, whose members come from several security organs such as the special security organ, military intelligence, public security, the presidency, and the ruling Ba'th Party Military Bureau. Orders were given by the special security organ to arrest and question any military person whose name crops up during the questioning or who is a suspect, regardless of his rank. High-ranking military officers from Mosul and Tikrit, President Saddam's birth place, have been arrested.

Iraqis arriving from Baghdad recently said that military and security patrols, in civilian vehicles and vehicles belonging to the party, have been more conspicuous in Baghdad since early last month. Iraqis thought that these patrols were responsible for maintaining security during the ceremonies marking the anniversary of the 17 July 1968 coup. The patrols are still roaming the streets and are positioned in public squares and on access roads. Their men are armed with automatic weapons, in addition to patrols in military vehicles equipped with anti-crowd weapons such as PKC machine guns and DShK anti—aircraft guns.

These Iraqis talked about raids carried out by security patrols on homes to search for weapons, and said that these patrols discovered some automatic weapons (Kalashnikovs) and seized them after arresting their owners. Sources among those arriving from Iraq have confirmed that the access roads to command posts and homes of officials are closely guarded and that some fully armed young "Saddam Fedayeen" participated in the search and protection campaigns. There has been no

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

official word from Baghdad about any coup attempt or any arrests or executions campaign; as usual, the Iraqi leadership has kept quiet about this matter.

Some Iraqis quoted military sources in Iraq as saying that a large number of Iraqi Army officers and military units are being moved from their positions to other positions because of the Iraqi leadership's fears of a reaction to the arrests and executions campaign.

The military sources said that strict orders have been issued banning any talk about these campaigns and any mention of the names of any officers arrested, questioned, or executed, and that anyone caught giving information about this matter will be considered an accomplice of these officers.

Iraq: 'Sources' Describe Attempt on Saddam's Life by Inner Circle

NC0608113496 Cairo MENA in English 1115 GMT 6 Aug 96

[FBIS Transcribed Text] Beirut, 6 Aug (MENA)—Some 200 Iraqis, mostly relatives of Iraqi President Saddam Husayn and members of the country's general and internal security agencies and the Republican Guard were involved in an assassination attempt on the life of Iraqi president, by poisoning his food. The new details of the recent attempt were revealed by authoritative sources. The Republican Guard is led by Saddam's son Qusayy.

The sources said a Yemen girl cook in the presidential palace of Tikrit, Saddam's home town, was instructed to place poison in a meal the Iraqi president was to have during a recent visit there, but she revealed the plot.

Twenty officers were killed and the rest of the accomplices were imprisoned, sources added.

The sources said that the attempt on Saddam's life, despite the fact that it was aborted, is of special significance because it clearly portrays that the inner circle of the Iraqi president the people who previously provided him with the source of security, have turned into a source of danger and fear.

The assassination attempt mirrors the fury and the deep rifts that were caused by the killing of Saddam's son in law Husayn Kamil, inside the Tikriti family, the sources said.

Iraq: New Details of 'Abortive Attack' Against Marshes Reported

JN0308144596 (Clandestine) Voice of Rebellious Iraq in Arabic 1225 GMT 3 Aug 96

[FBIS Translated Text] There are new details about the abortive attack launched by the tyrant's remnants a few days ago on our tribes in al-Nasiriyah [Dhi Qar] Governorate. Statements issued by the heroes of the Islamic resistance in the south said the criminal enemy gathered the shattered remnants of the intelligence formations, the Saddam Fedayeen, and others to try to launch a new aggression against the residents of the marshes and the outskirts of the al-Nasiriyah Governorate.

In this context, sources of the strugglers of the Islamic revolution said the regime followed a stick-and-carrot policy to mobilize some influential tribes and dignitaries in these areas to force their youths to join the regime's units of unjust invasion. However, the dignitaries of our tribes rejected demands by criminal 'Abd-al-Baqi al-Sa'dun and the criminal governor of al-Nasiriyah, who led the aggression against unarmed civilians in the marshes.

The same sources said the Saddamist suppression agencies arrested more than 82 people who refused to join the tyrant's forces and attack their brothers and cousins in these areas, who are facing a dictator bent on killing life in the marshes and quashing the Iraqi people.

Criminal al-Sa'dun and his mercenaries tried all means to pressure the dignitaries, but to no avail. The sons of al-Nasiriyah remained steadfast. This forced him to withdraw his defeated remnants.

Iraq: 'Regime' Said Hiding Bodies of Soldiers Killed in Marshes

JN0408153396 (Clandestine) Voice of Rebellious Iraq in Arabic 1230 GMT 4 Aug 96

[FBIS Translated Text] The Baghdad authorities have made desperate attempts to hide the bodies of the Iraqi regime soldiers killed in the marshland areas for fear of popular anger. However, some of the Iraqi troops' bodies have begun to reach families recently, triggering the population's indignation against the hostile regime.

Exclusive sources in Baghdad said that the body of 1st Lieutenant Walid Sarhan al-Tikriti was received by his family in Tikrit. He was one of dozens of military personnel, security men, and Saddam Fedayeen elements killed in an attack on innocent residents of the marshland areas in southern Iraq. The sources added that the deceased's family held a ceremony to accept condolences on his death in his hometown of Tikrit. The sources pointed out that more bodies were received in Tikrit, Samarra', and Baghdad. The bodies were delivered to families separately.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Israel: Netanyahu Sending Message to al-Asad Through King Husayn

TA0408093196 Tel Aviv MA'ARIV (HAYOM supplement) in Hebrew 4 Aug 96 p 3

[Editorial: "A Message to the Syrians; A Message to the Whole World"]

[FBIS Translated Text] "The new Middle East," is already used to direct and open contacts with Jordan. Over the past two years, King Husayn's court could be reached either by a quick helicopter ride or a short trip by car over the Jordan River bridges. But even in this new era, there is apparently still a need for Israeli prime ministers to hold secret meetings with King Husayn in London.

Netanyahu flew secretly to London a week ago to persuade King Husayn to serve as a envoy — not to say mediator — to President al-Asad. The prime minister, who already managed to persuade Egyptian President Husni Mubarak about the candor of his desire for peace, also tried to made the king feel the same way in the hope that he might manage to take that message to al-Asad. According to published reports, the main Israeli message to the Syrian president is "there is something to talk about."

The initiative for a dialogue with Damascus is a good message for all those who hope for peace arrangements with Syria. The fact that Netanyahu is sending such messages, instead of initiating a campaign presenting Syria as a terror-supporting state, inspires hope. We also hope that the prime minister's bureau is preparing situation papers with serious proposals for Syria.

Loyal to Likud promises on the eve of the elections, on Friday [2 August] the government lifted the special restrictions imposed on inhabiting empty homes beyond the Green Line. The decision, aimed at reversing the discrimination instituted by the Rabin government against settlers in Judaea, Samaria, and the Gaza Strip, sends a clear message: The current government sees no reason why it should use administrative measures to restrict construction and expansion in the territories. In fact, the contrary is true. The message is directed not only at Likud voters and settlers, but also the Palestinians and the whole world. It is the first significant sign that this is a different government, with a different policy, and a different order of priorities.

Israel: Netanyahu Proposal for Resumption of Talks With Syria

TA0608091896 Jerusalem THE JERUSALEM POST in English 6 Aug 96 p 1

[Report by David Makovsky in Amman]

[FBIS Transcribed Excerpt] The proposal for resuming peace talks with Syria that Israel put forward to the U.S. last week excluded Yitzhaq Rabin's verbal assurance to President Bill Clinton that the entire Golan Heights would ultimately be yielded, if key security concerns were met, a senior Israeli official said last night. The official said that Rabin had been careful not to call this assurance a commitment.

A senior U.S. official, however, said last night that this version of events is not accurate, but refused to elaborate.

In Amman, Prime Minister Binyamin Netanyahu sounded upbeat about the possibility of resuming peace talks with Syria, after hearing King Husayn's assessment of his weekend visit to Damascus. [passage omitted]

"Labor's promise to the U.S. to get off the Golan assuming Israel obtains needed security arrangements is something we cannot agree to, and we told the Americans this last week," the Israeli official said. "Otherwise, we want to meet the Syrians without preconditions. There is nothing else to our proposal." [passage omitted]

Sources say they believe Damascus wants assurances that "Lebanon first" would be followed by territorial withdrawal on the Golan and that it keeps its control of Lebanon. Syria has said it wants the peace talks to resume where they left off at the Wye Plantation in Maryland last February. [passage omitted]

[Tel Aviv MA'ARIV in Hebrew on 6 August in a p 3 report by Ben Kaspit from Amman adds: "Israel is presenting Syria with a proposal to renew the negotiations between the two states, with the participation of Lebanon, on all the issues on the agenda — with the Lebanon problem being discussed first and immediately followed by all the other issues. The Syrians insist that Israel accept the 'land-for-peace' principle. The new Israeli proposal was brought to Washington last week by Netanyahu's political adviser Dore Gold. The innovation — Israel no longer talks about 'Lebanon First,' but a wide-ranging resumption of the negotiations on all issues, with the Lebanon problem being the first subject on the agenda." The report says "political sources in the Prime Minister's Office now talk about 'working out a formula' acceptable to both sides, facilitating a return to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the negotiating table. 'I believe that a resumption of the talks within several weeks is definitely possible,' one of the sources said." [passage omitted]

[Tel Aviv HATZOFE in Hebrew on 6 August in a page 2 report by ITIM's Shlomi Mu'alim quotes Prime Minister Netanyahu as telling a meeting of the Likud Secretariat on his return from Amman on 5 August that "the best way to start building ties with Syria is to find a way to dispel the tension in Lebanon. We believe the best way to do that is to find a framework whereby Hizballah's ability to harm us is removed. I do not think that as long as Hizballah operates as a military organization in south Lebanon that condition can be fulfilled. Syria must disarm Hizballah. If Hizballah is disarmed and a different force, for instance the Lebanese Army, is deployed along the international border within the framework a settlement with Syrian backing and with a suitable arrangement that totally assures the interests of our allies, then of course we do not demand a single centimeter of Lebanese soil."]

According to a senior official who briefed reporters after the talks, at least two new ideas were put forward which won Jordan's interest and will be implemented. First, the two countries will jointly open transshipment and logistics facilities in the al-'Aqabah-Elat area, thereby servicing countries all over the world. The official cited Singapore as a model for such a project, as conceived by the Israeli head of the Jordan Rift Valley project, Dr. Yosi Vardi.

Another idea discussed yesterday was to establish a joint natural gas terminal in the al-'Aqabah-Elat area. Israel had held discussions with Qatar about shipping liquefied gas.

Netanyahu said he personally supports an al-'Aqabah-Elat airport, which he noted was still in the feasibility study phase. Overall, he was enthusiastic about prospects of the al-'Aqabah-Elat area, saying it had "unimaginable magnitude."

In a bid to ease trade ties with Jordan, the senior official said Israel would place more manpower at border crossings, thereby speeding up the security checks which constrain goods moving between the two countries. He also said customs duties on Jordanian textile goods would be lowered. [passage omitted]

Israel: Morocco Rejects Israeli Envoy, Call From Netanyahu

TA0608060596 Jerusalem Qol Yisra'el in English 0400 GMT 6 Aug 96

[FBIS Transcribed Text] Morocco has refused to accept Israeli Knesset Member Yehuda Lancry, who was bringing a political message from Jerusalem. Rabat has also refused telephone contact between King Hasan and Prime Minister Netanyahu.

Israel: Officials — Lebanon Monitoring Committee To Meet 15 Aug

TA0508184496 Jerusalem Qol Yisra'el in Hebrew 1800 GMT 5 Aug 96

[FBIS Translated Text] The monitoring committee established to oversee the implementation of the agreements achieved following Operation Grapes of Wrath will convene in al-Naqurah on 15 August, our political correspondent Shlomo Raz has learned from Israeli officials. He was further told that Israel will be represented in the committee by Brigadier General David Tzur, chief IDF [Israel Defense Forces] liaison officer with foreign armies. He was appointed to this position by the defense minister and the chief of staff.

Israel: Army Sources—20 'Terrorists' Killed in Lebanon in 3 Weeks

TA0508185596 Jerusalem Israel Television Channel 1 Network in Hebrew 1700 GMT 5 Aug 96

[Announcer-read report]

[FBIS Translated Excerpt] Two IDF [Israel Defense Forces] soldiers were injured — one seriously and another slightly — in a fire exchange with Hizballah in south Lebanon. [passage omitted]

The fighting in south Lebanon has escalated in the past few days, and army elements told our correspondent that 20 Hizballah terrorists were killed in exchanges of fire over the past three weeks.

Israel: Police Visit 'Abd-al-Qadir, Deliver Closure Order

TA0508172196 Jerusalem Qol Yisra'el in Hebrew 1600 GMT 5 Aug 96

[FBIS Translated Text] Jerusalem Police detectives have just visited Hatim 'Abd-al-Qadir, a Palestinian autonomy council member, and handed him an order prohibiting the operation of his East Jerusalem office on behalf of the Palestinian Authority [PA]. The order, which was signed by Internal Security Minister Avigdor Qahalani, says that anyone who wants to open such an office requires the approval of the Israeli authorities.

Hatim 'Abd-al-Qadir told our correspondent Aviv Bushinsky that his office is in his home, that he operates it as a private individual and not as a PA member, and that, therefore, he does not plan to stop receiving people or operating the place.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Israel: Egypt Vows To Support PA Fight To Operate in Jerusalem

TA0508184196 Jerusalem Channel 2 Television Network in Hebrew 1700 GMT 5 Aug 96

[Video report by Tzipi Brandt and Yoram Binur]

[FBIS Translated Excerpt] The internal security minister has issued an order prohibiting Hatim 'Abd-al-Qadir from conducting any activity associated with the Palestinian Authority [PA] out of his East Jerusalem residence. 'Abd-al-Qadir refused to budge from his position, and thus the tale of the office he opened in his living room seems about to evolve into a diplomatic incident. The Egyptian ambassador to Israel has already promised to help 'Abd-al-Qadir. Our correspondents Tzipi Brandt and Yoram Binur report:

[Begin Binur recording] This exclusive footage shows the second phase of the affair of Hatim 'Abd-al-Qadir's East Jerusalem office. He is seen here arriving at the Egyptian Embassy on Basel Street in Tel Aviv, uplifted by the success his office-cum-living-room has scored with the media. [passage omitted]

Egyptian Ambassador Muhammad Basyuni promised 'Abd-al-Qadir that Egypt would support his struggle against the Israeli Government and the Israel Police for the right to conduct Palestinian political activity in East Jerusalem. [passage omitted] [end recording]

Israel: Police To Interrogate All PA Jerusalem Office Visitors

TA0608062896 Jerusalem Qol Yisra'el in Hebrew 0400 GMT 6 Aug 96

[FBIS Translated Text] Starting this morning, the Jerusalem District Police will step up surveillance around the house of Hatim 'Abd-al-Qadir, who opened a Palestinian Authority [PA] office in Bayt Hanina. The police also intend to detain all visitors for interrogation.

Our police affairs correspondent Aviv Bushinsky reports that the police want to examine the nature of activities inside the building in light of the claim made by 'Abd-al-Qadir, a member of the Palestinian autonomy council, that his home is a private office and does not operate on behalf of the PA.

Israel: Sources Say Levi 'Furious' Over Treatment by Netanyahu

TA0508180696 Jerusalem Channel 2 Television Network in Hebrew 1700 GMT 5 Aug 96

[Announcer-read report]

[FBIS Translated Text] Senior Foreign Ministry sources said tonight that Foreign Minister David Levi is furious with the prime minister's exclusion of Foreign Ministry staffers from his entourage. Our political correspondent 'Imanu'el Rosen was told that Netanyahu's policy of excluding the Foreign Ministry from the political contacts is liable to rekindle the crisis-ridden character of the relations between Levi and Netanyahu in the past.

Israel: 'Complete Lack of Contact' Reported Between Netanyahu, Levi

TA0608060396 Jerusalem Qol Yisra'el in Hebrew 0400 GMT 6 Aug 96

[FBIS Translated Text] There is a complete lack of contact between Prime Minister Binyamin Netanyahu and Foreign Minister David Levi and the latter is not receiving any information on political meetings and discussions.

Our political correspondent Shlomo Raz reports that the prime minister and the foreign minister have not met since last Friday's [2 August] cabinet session and their regular Sunday meeting was canceled this week by David Levi.

The foreign minister has learned that several political moves were not brought to his attention, including the visit by George Nader, who is trying to mediate between Israel and Syria. Nor did the foreign minister have any knowledge of the meetings held in Washington by Dr. Dore Gold, the prime minister's political adviser.

David Levi's close associates vowed that the foreign minister will make a suitable response on the prime minister's attitude at the appropriate time.

Israel: Foreign Ministry Staffers—Netanyahu's Bureau 'Ignoring' Us

TA0608103296 Jerusalem Qol Yisra'el in Hebrew 0900 GMT 6 Aug 96

[FBIS Translated Text] Foreign Ministry officials held an internal debate in which they sharply criticized the prime minister's bureau, claiming it was ignoring the professionals at the Foreign Ministry with broad experience and know-how in the very fields that Netanyahu's bureau was trying to promote.

Our political correspondent reports that the Foreign Ministry was only indirectly advised about an attempt by Dr. Dore Gold, the prime minister's political adviser, to arrange a meeting between Binyamin Netanyahu and Morocco's King Hassan. The information reached the Foreign Ministry only after an Israeli representative in Rabat was briefed on the matter by the U.S. ambassador to Morocco.

Foreign Ministry officials say the Moroccans have no intention of approving a visit by the prime minister at

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

this stage under the pretext that contacts are currently underway to prepare a visit by Israeli Foreign Minister David Levi.

Israel: Sharon's Deputy To Approve Plan To Expand Shilo Settlement

TA0508183596 Jerusalem Channel 2 Television Network in Hebrew 1700 GMT 5 Aug 96

[Video report by Mati Kohen]

[FBIS Translated Excerpt] Merely four days after the government decided to thaw construction in the territories, Australian billionaire Yosef Gutnik has announced his plan to build 200 housing units in the settlement of Shilo. Gutnik took Me'ir Porush, deputy construction and housing minister, on a preliminary tour of the area today, and he presented his vision of construction in and around Hebron to Prime Minister Netanyahu on 2 August. Our correspondent Mati Kohen was in Shilo today:

[Begin recording] [Kohen] [passage omitted] Gutnik wants to build a 200-unit neighborhood in Shilo, which his friend Porush will gladly approve. Today, the two celebrated their newly forged patriotic partnership. [passage omitted]

[Porush] Mr. Gutnik's plan is acceptable now and was acceptable in the past, because if we have to provide solutions for the requirements of natural growth, we can provide them right here.

[Kohen] Apparently, natural growth will be a most elastic term in the years ahead. Here are some statistics on the expansion of Shilo: There were 140 families in the settlement in May 1992 and 175 families in May 1996 — namely, it grew by 35 families in four years. On this basis, the addition of 200 housing units will meet natural growth needs for the next 22 years. No wonder Gutnik was extremely pleased to find a new partner in the Construction and Housing Ministry. [passage omitted]

Gutnik is not wasting any time. On 2 August, he met with Binyamin Netanyahu and acquainted him with another of his visions: his plans for construction in and around Hebron. [end recording]

Israel: SHAS, NRP Work Out Compromise on Religious Affairs Ministry

TA0608063096 Jerusalem Qol Yisra'el in English 0400 GMT 6 Aug 96

[FBIS Transcribed Text] SHAS [Torah Observing Sephardim] and the NRP [National Religious Party] have worked out a compromise to share the religious affairs portfolio. Under the agreement, Interior Minister Eli Suissa of SHAS and NRP leader Zvulun Hammer would take turns serving as religious affairs minister one year at a time. They agreed that Suissa would assume the post first for the coming year. Arye Gamli'el of SHAS and Yig'al Bibi of the NRP will serve as deputy ministers through the government's entire four-year term.

Israel: Analysts—U.S. Air Attack on Iranian Targets 'Possible'

TA0608111496 Tel Aviv YEDI'OT AHARONOT in Hebrew 6 Aug 96 p 13

[Report by No'omi Levitsky]

[FBIS Translated Text] Israeli analysts believe that an American attack against Iranian targets is possible in certain circumstances. However, this time, unlike the Gulf war, the United States will not need a ground action, but will make do with an air attack.

The analysts believe that Israel will not be in on the secret. "At best, if they want to be very polite, they will inform Israel one minute before the attack," they said. The Americans have missiles, long-range bombers, and the ability to refuel in the air. They can attack from anywhere and in any situation. They do not need any regional assistance.

Unlike the Gulf War, the analysts said, this time Israel will remain out of the game. The Iranians do not have long-range missiles capable of hitting Israeli targets. The option of an attack by Iranian aircraft is described as "very low."

It is not easy to outrage the Americans, it is believed in Israel, but when that giant is aroused, the response is resolute. Compared to Israel, the Americans are considered very slow, sometimes even phlegmatic, in their reactions. But if somebody manages to unsettle them, then it is hard to stop them.

The Dhahran bombing and the strong suspicion that the TWA disaster was due to a terrorist attack, are just the sorts of actions that unsettle the Americans.

If it comes about that Iran is involved in the attacks, the analysts say, then it is conceivable that Iran will sustain a serious blow by air. If it transpires that the Iranians are tied to the TWA explosion then only God can protect them.

Our army affairs correspondent adds: According to our information, defense sources believe that the United States is not planning to attack targets in Iran at this stage. But, in their view, if the United States does carry out a military offensive against Iran, then Israel will only

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

know about it just before it is implemented, as was the case during the Gulf War.

Israel: Foreign Ministry — Failure To Punish Priebke 'Unthinkable'

TA0508154396 Jerusalem Qol Yisra'el in English 1400 GMT 5 Aug 96

[FBIS Transcribed Text] Israel says it expects that SS Captain Erich Priebke will not be permitted to go free. Last Thursday [1 August], an Italian military court ruled that Priebke could go free, but he was later rearrested amid reports that Germany would request his extradition. On the statement issued this morning by the Israeli Foreign Ministry, our reporter David Ze'ev:

[Begin Ze'ev recording] The Israeli Foreign Ministry waited a number of days before releasing a statement this morning on the Erich Priebke ruling. The Foreign Ministry in Jerusalem says it was shocked to hear of the Italian military court's decision that Priebke, a Nazi criminal, should be released. After his initial release last week, Priebke reportedly was taken into custody again by the Italian authorities. Germany was expected to request his extradition.

The Israeli statement calls it unthinkable that someone who admitted to personally supervising over the murder of 335 human beings should have the right to go free. Referring to the use of the statute of limitations, Israel says even if 52 years have passed since this horrible crime was perpetrated in the Ardeatine Caves, permitting Priebke, who even carried out some of these despicable acts of murder with his own hands, to evade punishment is unconscionable. The Israeli statement says the statute of limitations should not be applied in such cases. The Foreign Ministry says Israel expresses its solidarity with the Italian Jewish community and with all of the families of the victims. Israel also expects that justice will be done and that this criminal against humanity does not go free. [end recording]

Israel: Defense Sector 'Worried' Over Violence Spread in West Bank

TA0408044496 Jerusalem Qol Yisra'el in English 0400 GMT 4 Aug 96

[FBIS Transcribed Excerpt] The Israeli defense establishment is worried about the violence in the West Bank and concerned that it will spread to the central and southern districts. West Bank commanders have been ordered to beef up their forces, not to interfere in the trouble, but to help the Palestinian Police to treat the wounded. A senior security source says Israel is interested in stability and the continuation of Yasir 'Arafat's rule. [passage omitted]

Israel: IDF Not Asked To Recommend Hebron Redeployment Alternatives

TA0408163496 Jerusalem Qol Yisra'el in Hebrew 1400 GMT 4 Aug 96

[FBIS Translated Text] The new government has not asked the IDF [Israel Defense Forces] to present alternatives for the Hebron redeployment plan. This surprising statement was made to the Knesset Foreign Affairs and Defense Committee members during a tour of Hebron today. This is reported by our correspondent Gay Qotev, who accompanied the committee members. Knesset Member Hayim Ramon told our correspondent that the Foreign Affairs and Defense Committee members were told by IDF officers that they were not asked to recommend any alternatives. Committee Chairman 'Uzi Landau said he opposes any kind of redeployment in Hebron.

Israel: EU Changes Policy Regarding Visits to Orient House

TA0508065596 Jerusalem Qol Yisra'el in Hebrew 0400 GMT 5 Aug 96

[FBIS Translated Text] The European Union [EU] has modified its policy regarding East Jerusalem's Orient House and will permit visiting EU foreign ministers to decide for themselves whether or not to visit the building.

Our political correspondent Shlomo Raz reports that according to a secret decision which was not made public, only the foreign ministers of the three countries that make up the EU Troika are under instructions to visit Orient House.

As a result of this EU decision, French Foreign Minister Herve De Charette was not obligated to go to the Orient House during his trip to Israel two weeks ago.

Israel: Clinton Criticized Over Pollard Case

TA0508082696 (Internet) Women en Green Information Service in English 4 Aug 96

[Unattributed commentary: "Solving the Clinton Puzzle Concerning Jonathan Pollard's Pardon"]

[FBIS Transcribed Text] Even at first glance there is something incomprehensible about the recent announcement by President Clinton explaining his unwillingness to pardon Jonathan Pollard. The reasons he gave for not granting the pardon were not at all convincing, to wit: that Pollard had no remorse; that the crime he had committed was so great that it deserves further punishment; and it was important that such offenses be treated by the U.S. with utmost gravity. The real basis for the denial is, apparently, not being divulged.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

That Pollard has expressed remorse is incontrovertible. He did so in 1991, and George Stephanopolous, one of Clinton's top advisers acknowledged that fact several years ago; moreover, Pollard has continued to sincerely show such remorse. The crime of passing information to Israel, a close ally, is far less serious than were the major acts of espionage on behalf of proven enemies of the U.S. that had heretofore been committed by Americans. In these latter instances, the spy involved received far less of a jail sentence than Pollard, and often did not even do the amount of time in prison that Pollard has already served. Ironically, in a case where more serious spying was done by an American for Saudi Arabia, the person in question Schwartz, a non-Jew, served no time whatsoever in order not to upset the Saudi "ally." The reason given by Clinton that such acts must be treated with the utmost gravity is absolutely farcical in view of the above. Treating such acts with the utmost gravity seems to be applied only against the Jew Pollard, and comparably, to no one else in America's spy history. That is why an U.S. Appeals Court Judge referred to the harshness of the Pollard sentence as a "fundamental miscarriage of American justice."

The vicious attack against Pollard made by the then Secretary of Defense Casper Weinberger to the sentencing Judge contained many willful distortions. It directly resulted in the life imprisonment sentence that Pollard received; the prestige of the office of Secretary of Defense, carried a great deal of weight with the sentencing judge who relied on the Secretary's ludicrous judgment that what Pollard passed on to Israel was practically equivalent to passing on information about America's atomic bomb. Weinberger, who has been trying to live down the fact that he had a Jewish grandfather, was himself afterwards pardoned by Bush for crimes he had committed. Weinberger's arguments in his appeal to the trial judge for a harsh sentence for Pollard, were steeped in prejudice, and were even bizarre. He likened Pollard's disclosure to Israel as being worse than the acts of Benedict Arnold, an infamous American traitor. Obsequious attempts to reinforce their own social acceptance into the Gentile world by denouncing a Jew, have been standard fare over the centuries for anyone who felt uncomfortable because of known Jewish skeletons in their own family closet.

The manner in which Clinton made his denial of the pardon was also puzzling. The announcement came shortly after he met with the Council of Presidents of Major Jewish Organizations. During his entire meeting with these Jewish leaders, he did not once mention Pollard. It is not the way that President Clinton, a knowledgeable and sophisticated political person, would normally act. He certainly knew that the Jewish Presidents (and for that matter the entire Jewish Community, who are generally well disposed towards him) would react adversely to him for not being forthright. Clinton knew that by not frankly addressing himself to the merits of the Pollard pardon, he would be jeopardizing the support of many Jews in the forthcoming election; yet he surprisingly chose to avoid the issue with them.

Whatever evidence we have, shows Bill Clinton to be a friend of the Jews, or at least, in no way hostile to them. His designation of Jews to high and important posts in his Administration is well known; he has based such appointments on merit; his precedent breaking Supreme Court appointment of two Jews to sit on the Court at the same time is proof of that. His continuous favorable gestures towards Israel are in distinct contrast to the actions of President Bush. Bush and for that matter Baker, his Foreign Secretary, had attitudes towards Jews and Israel which sometimes bordered on the anti-Semitic. You were hard pressed to find a Jew in close proximity to President Bush. Yet Clinton acted no different with regard to the injustice being done to Pollard, than had President Bush. Why?

I believe you do not have to look any further than America's overriding criterion for its Middle East policy: its dependence on Arab oil, and its need for relative stability in the area to insure its uninterrupted flow. Under such circumstances, it is not difficult for hostile-to-Israel Arabists in the State Department to convince an American President that the scenario involving Pollard is fraught with danger and potentially extremely explosive. They would be quick to point out, that by pardoning this Jew who had passed on to Israel valuable data concerning the Arabs, Clinton would be seen as retroactively approving Pollard's actions. These pro-Arabs would not hesitate to predict all sorts of anti-American Arab activity that would result from pardoning Pollard. It would be, they argue, the ultimate and decisive proof to Saudi Arabia, and other "moderate" Arabs, that America is in collusion with Israel, could not be trusted, and would ruin the close relationship between America and these important oil producing States. Interminable violence and instability, together with wild pan-Arabism and xenophobia, would reign instead. The area would virtually go up in flames, and the Middle East, as the source for America's oil needs, would be put in jeopardy.

One would have to be a giant of courage and wisdom not to be moved by these threats of pending catastrophe on so vital a matter. It is certainly safer to stall, and delay, under the circumstances; no matter the logic, force and "rightness" of opposing arguments. These scare tactics are no doubt widely employed, both by cautious advisers, as well as outright opponents of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Israel; there are extremely few who can stand up to these dire forecasts. Especially is this so when Republican Opponents are waiting anxiously to pounce on him for any error Clinton might make which can be used to defeat him in the upcoming elections. The counter-arguments to these Prophets of Doom are, nevertheless, cogent and powerful. Arab threats of terror are empty, since the Saudis and those Emirates need a stabile Middle East to insure their oil sales and accordingly can be depended on to act in their own self interest and not support such violence. They are well aware that the continued existence of their very Governments depends on peace and tranquillity. Moreover, the ten years that Pollard has spent in jail rules against the arguments of U.S. complicity with Israel, and vitiates the charge of leniency. In the face of the release of Arab criminals on a large scale both by Arafat and Israel under Oslo, as part of the "peace process," pardoning Pollard now would be pretty safe, and unobjectionable, in such an atmosphere.

What chance then do "hunger strikes", and well reasoned pleas directed to President Clinton have to change his mind before the November elections, to pardon Pollard? President Clinton, realistically, will not take any chances when only a little more than three months remain until the American voter goes to the polls. That does not mean that we should in any way cease to raise a hue and cry at the hypocrisy, and injustice involved in the Pollard affair. That is why our Women In Green are actively supporting the hunger strike presently being held in downtown Jerusalem by Esther Pollard, the wife of Jonathan. It would be well if Prime Minister Netanyahu openly and actively joins in the battle for his pardon as well. The facts of the grave injustice must resound throughout America in general, and in the Halls of Congress in particular; it is in America that Pollard continues to be wrongfully held in jail, after ten long years for the crime of imparting information to a purported friendly and close ally, Israel, which America should have given over to Israel on its own initiative in the first instance.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Jordan: King Husayn, Prince Hasan Hold Meetings With Netanyahu

JN0508142296 Amman Radio Jordan Network in Arabic 1100 GMT 5 Aug 96

[FBIS Translated Text] His Majesty King Husayn and Israeli Prime Minister Binyamin Netanyahu held a meeting at the Royal Hashemite Court today. The meeting was attended by His Highness Crown Prince Hasan and Prime Minister 'Abd-al-Karim al-Kabariti.

Another meeting was held at the Basman Palace between His Highness Crown Prince Hasan and Netanyahu. The meeting was attended by Prime Minister 'Abd-al-Karim al-Kabariti. An expanded meeting was held afterward. It was attended by senior officials and members of the delegation accompanying Netanyahu and a group of Jordanian and Israeli businessmen.

During the meeting, discussions dealt with developments related to the implementation of the Jordanian-Israeli peace treaty and the obstacles impeding its progress, especially with regard to water and transportation. Jordanian-Israeli joint projects were also discussed.

Jordan: King Briefs Netanyahu on Outcome of Damascus Talks

JN0508160696 Amman Radio Jordan Network in Arabic 1500 GMT 5 Aug 96

[FBIS Translated Text] His Majesty King Husayn held a closed meeting with Israeli Prime Minister Binyamin Netanyahu at Basman Palace. Crown Prince Hasan and Prime Minister 'Abd-al-Karim al-Kabariti attended. This was followed by an expanded meeting that was attended by senior officials from the two sides.

They discussed the peace process and ways to support it on all tracks. The two sides stressed the need to continue the commitment to the peace process to achieve the just, comprehensive, and lasting peace.

His Majesty King Husayn briefed the Israeli prime minister on the outcome of his talks with His Excellency Syrian President Hafiz al-A d and His Majesty's feeling that Syria has a genuine desire to achieve the desired peace.

The talks also touched on the bilateral negotiations on the Palestinian track. The two sides stressed the need to continue the peace efforts on the basis of the Oslo Agreement.

The conferees also discussed the implementation of the Israeli- Jordanian treaty, as well as bilateral ties in all fields, including the bilateral and regional projects related to investment, marketing, the development of the Jordan Rift Valley, the al-'Aqabah airport, and other projects.

Jordan: King Husayn, Israel's Netanyahu Hold News Conference

JN0508122196 Amman Jordan Television Network in Arabic 1024 GMT 5 Aug 96

[News conference by King Husayn of Jordan and Israeli Prime Minister Binyamin Netanyahu with foreign and domestic correspondents at the Royal Hashemite Court in Amman — live, in English and Arabic; italicized passages in Arabic]

[FBIS Transcribed Text] [Husayn] Good afternoon, ladies and gentlemen. I am very pleased to have this opportunity before you all to welcome Prime Minister Binyamin Netanyahu on his first visit to Jordan as the prime minister of the State of Israel. We have had the opportunity to meet and talk about all our accomplishments so far, in terms of our bilateral relations and our dreams and visions regarding a future for this entire region and for all its peoples living in peace and in harmony. We here are deeply committed to achieving this goal, and we will do whatever we can to see it become a reality, something that future generations can remember us well for.

It is our duty at the very highest levels of government to keep in constant touch, to coordinate, to examine where we have reached on the bilateral level, as well, and where we need to proceed in our relentless efforts to remove the barriers, or what remains of them, the walls, or what remains of them, that separate people from people, and for us to come to know each...[pauses] trust each other, and work together for a future worthy of us and this entire region with a feeling of pride in our achievements, with a feeling of satisfaction in having recovered our rights on all levels, and building our relations on trust and confidence and in an atmosphere of peace hopefully in the times ahead.

I wish to seize this opportunity to wish Prime Minister Netanyahu every success in the future and the challenging times ahead and the challenging tasks. I believe our commitment is one and the same to do what we can for a bright future for the descendants of the children of Abraham and for a comprehensive peace in this entire region. Thank you very much.

[Netanyahu] Thank you, your majesty. I must say that this visit, although not the first one, highlights for me the achievement of peace between our two countries. It is a great tribute to you — I think you are one of the great champions of peace. You have moved boldly in this front. I also think that you have assisted me with good

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

counsel, alongside the excellent advice that I received from your quarters and from President Mubarak of Egypt. We have moved to expand and deepen the ties of peace between Israel and its Arab neighbors.

I think that our first task is to cement and assure the progress of the peace between Israel and Jordan, and we have spoken about the various actions that we can take to facilitate the expression of this peace on all fronts, including the economic front, and the movement of people and goods and ideas across our common border. Equally, we spoke about the ways that we could achieve progress in the other fronts of peace, with the Palestinians; with our northern neighbor, Syria; with anyone else in the Arab world who seeks to join the circle of peace. They will find in us a ready partner. I have to say that Jordan's steadfast position on peace, its indefatigable belief that we could bring the enmity between Israel and the Arab peoples to an end. It has been for me a source of great encouragement. I think it has been for the people of Israel a source of great encouragement and pride that our peace has taken shape, is deepening its roots. We are committed to do precisely what is required to deepen and expand the peace. It will have, I am sure, many manifestations in the not-too-distant future. I am sure there are questions. I have never seen such a silent press court, your majesty.

[Husayn] Very quiet and....

[Netanyahu, interrupting] Well, it is the Israeli part that is quiet, but it will soon correct that deficiency.

[Unidentified correspondent] Your Majesty [words indistinct] of the Lebanon-First. Have you discussed the Lebanon-First agreement? If so, what are the results?

[Husayn] First of all, regarding the future, I hope that this meeting will be a very strong one in the series of contacts in this area and with the rest of the world — for all of us to do whatever we can to help facilitate and bring about the peace I spoke about. That obviously involves Lebanon and southern Lebanon. I hope our efforts will enable us to speak more clearly, and I hope we will see actions leading to a resolution of the Lebanese-Israeli problem in terms of the Lebanese territory and the fulfillment of what our neighbors wish — that is, to withdraw from these territories as soon as possible.

We are not, here in Jordan, the party involved in brokering solutions, but we are certainly committed to do whatever we can when our friends and brethren need us to help in any way we can, together with others. The prime minister spoke of President Mubarak of Egypt. Egypt is the first country to conclude a state of peace with Israel, as we have done. There is the United States, which has had a very major role being our mutual friend. Of course, our way has been different from others, and I have pointed to that time and again. We decided, when conditions permitted us, to move on peace, and we did it directly. Therefore, we were able to move fast and to arrive at a dear objective and to achieve it completely. We hope this will be an example to others to follow. So we hope to see progress on all tracks, including Lebanon, soon.

[Netanyahu] I think you asked about the question of Lebanon, and I don't want to use the breakdown in the microphones as an excuse not to answer your question, obviously. We're prepared to engage in negotiations, peace negotiations, with Syria on all outstanding matters. We are not limiting this to any particular subject. We have, in fact, a variety of issues to discuss with Syria — issues on which, on some, we disagree, on some, I think, the areas of agreement are closer at hand. Our purpose is to achieve a formal peace with Syria. It is not merely to engage in a process for process' sake. It is not merely to have a peace process. It is to have peace with Syria. We believe that if there is goodwill on the side of Syria, we can resume negotiations, and we're prepared to do so in the immediate future.

These negotiations will obviously, as I said, cover a wide variety of areas, but the immediate security concern with Syria for us happens to be southern Lebanon. There's been a steady increase, a steady escalation of violence in this part of the world, along our northern border, for the last four years. This is not something that is good for Syria, and it is not something that is good for Israel, and certainly not something that is good for peace. We seek a solution, a resolution of this problem. As you know, we have no claims, territorial claims, on Lebanon whatsoever. Therefore, all we seek to achieve along our Lebanese front, the Lebanese border, is tranquility and security. And if this is agreed upon by others, I think it could be a very good starting point to build a relationship of trust, a relationship of stability, a relationship of confidence between Israel and Syria that will serve both well in the other outstanding issues that we need to negotiate about.

[Correspondent] *Your majesty, it is well known that feelings on the street about the possibility of advancing peace are different from those of the Arab leaders. What did Mr. Netanyahu tell the Arab leaders to make them so optimistic about the peace process, and where does Palestinian President Yasir 'Arafat fit in the peace effort?*

[Husayn] *What the Israeli prime minister said, and is always saying, and what we learned about him right*

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

from the beginning is that he is committed to the peace process, to all that was agreed upon, and to the desire to continue building peace on all levels for the sake of realizing a comprehensive peace. Our meetings provided us with the opportunity to discuss all these topics. I cannot elaborate further, but I am optimistic, reassured, and confident that his steps will be in this direction and that the results, God willing, will be good.

[Unidentified correspondent] Mr. Prime Minister: Sir, you've repeatedly said Jerusalem will never be redivided. By that, you're defying UN resolutions and deciding, determining, the fate of the city before final-status negotiations. Is that issue negotiable at all. Your Majesty: What are your views on the issue?

[Netanyahu] Well, I believe that Jerusalem will not be divided, not only that it shouldn't, but that it will not, simply because no one interested in peace and no one interested in the future harmony between Israelis and Arabs, Israelis and Palestinians, and the access of all three faiths to their holy places, should ever want to reconstruct a wall in the heart of the city. We have our own views on Jerusalem. They differ, obviously, from that of the Palestinian Authority. I prefer not to dwell on those differences. I prefer to stick to the agreed-upon framework on the interim settlement that, in fact, agreed that there will be no change in the status of Jerusalem, and that, indeed, no one should try to change the current status of the city as a united city. I want to add that the Washington Declaration recognizes Jordan's special role in the Muslim holy places in Jerusalem, and this is also an important aspect of the existing arrangements in Jerusalem, which I think should be adhered to.

[Radio Israel English correspondent Gerry Lewis] Your Majesty: Did you discuss with Mr. Netanyahu the announcement made on Friday for the expansion of settlements, and if so, what views did you express? Mr. Netanyahu: Could you indicate as to whether any of the responses given by the king following his meeting with President al-Asad give you any cause for hope for peace with Syria?

[Husayn] May I just answer the first question, and maybe cover this one briefly. I believe that, as partners in forging peace, we have the right to discuss everything. We have done so, and we'll continue to do so.

Regarding Jerusalem, I would like to say that it has never occurred to us at any point in time—in fact, since 1967—that the city, in the context of peace, would be redivided. We are speaking of a Jerusalem that can be the symbol and the essence of peace for the followers of the three great Abrahamic monotheistic religions and become hopefully the symbol of peace also between Israel and the Palestinians and Israel and all Arabs and all in this region. But this is a subject that has to be discussed later, as agreed between Israel and the Palestinian Authority and leadership in the final- status negotiations. So, let's hope that when the time comes, there will be enough imagination and enough goodwill and enough vision to make Jerusalem really something very, very unusual, something very, very special for hundreds of millions of people, and also the essence of peace between our two peoples.

In any event, you also asked earlier about where does the Palestinian leadership figure in all of this. As far as we are concerned, the Palestinians are in contact with the government of Israel and with the Israelis, trying to resolve their problems according to their choice. They are responsible for the decisions and for that direction, and they will receive from us every support in trying to achieve and secure their rights on their soil in the context of a comprehensive peace, for which we are working. So we are not bypassing them, nor are we ever intending to do so, or take their place in any formal way. They have to make their decisions. They have to make their contribution for the peace that they seek and we all seek in this entire region within the context of a comprehensive peace treaty.

[AL-RA'Y correspondent Caroline Faraj] Mr Prime Minister, I have two questions. The first one is: Israel's reluctance to honor the articles of the peace treaty and its annexes is transforming a warm beginning of a warm peace into an era of cold peace. Are there any chances that your administration will rescue that warmth, and how? That's question number one. And number two is: Don't you think that making several negative and extreme statements by members of your cabinet—Sharon—and then somebody from your office says that he is representing his own point of view. Don't you think that such a thing might affect your credibility, and, on the other hand, shows as if there is a government within a government? Thank you.

[Netanyahu] I was asked about what I learned from his majesty from his discussions in Damascus. What I learned was that there was a clear expression of a desire to resume the quest for peace in Damascus, and that is encouraging. That is something that we will readily take up.

As for the building of warm peace, I very much—that what I want. I want a warm peace, not a hot flash point. I think one of the ways of—the basically two—the basically two principles that I think have to be followed. The first is what I mentioned time and time again, and that is reciprocity, that is, we fulfill agreements. By that, I mean that both sides fulfill agreements, not only that I expect the Palestinian side to fulfill theirs, but

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that we intend to keep our side of the agreements as well. That applies to security, to Jerusalem, and to all the outstanding issues that are standing in the way of progress. I want to make it clear that we are committed to move forward. We are not raising this issue in order to stop progress but in order to facilitate it. Secondly, I think the second principle has to be the betterment of lives for all those who engage in the peace process.

To the Palestinians, this means that they have to benefit economically, and I believe that is true also with our peace with Jordan. There have to be tangible benefits because that is what peace gives. It gives the advantages of commerce, of trade, of the improvement of living standards. His Majesty and I discussed some detail, and in fact the crown prince and I with the delegation discussed in greater detail how to facilitate good life, prosperity and not just slogans but in tangible things how to cut the red tape. We have some red tape on our side as you know. I think you have some red tape on your side, Your Majesty. We wish we could take scissors and cut it away so we could get a real movement, a real fluorescence of economic activity that would benefit both sides of the border.

Now I have the same policy vis-a-vis the Palestinians. We do not apply closure in principle. It is not a principle. It is a measure of security that fluctuates according to the condition of security. In fact, I have decided this morning, in consultation with our defense minister, to ease up on the closure and permit another 5,000 Palestinian workers to come and work in Israel. This is a measure of a policy that is meant to produce a better life for Israelis, for Jordanians, for Palestinians, may I say also for Egyptians. We are discussing now with both Egypt and with Jordan fairly large projects that I believe would enhance the economy of both countries and of Israel as well. We are discussing now the advancement of industrial parks. We have discussed it with the World Bank and within our own government. We would like to advance the relations with the Palestinians by continuing the negotiations in the form of a steering committee and, within a few weeks, to engage on all matters. If there is goodwill, I think we can progress on all matters, including outstanding matters, such as Hebron.

[Kohen] *Your Majesty* Ora Kohen from GLOBES, the Israeli business newspaper. Would you tell us please what is your message to the Israeli businessmen that came here with the delegation and those who are in Israel, and would you elaborate about the projects, the bilateral projects that were discussed and may be promoted in these meetings? And to Prime Minister Netanyahu. Do you support the Elat-al-'Aqabah airport, and if you do, what do you think is a timetable to create it?

[Husayn] Well, first of all my words to our friends who have arrived here today and those who have visited us from time to time is that they are most welcome. And it is the same message that I deliver to our own people here of whom we are very proud that we are living in a new era, one which will be, hopefully, everlasting, and that this provides them with the opportunity to put their talents together and their abilities and to look at everything and anything that is possible to achieve further progress and to create a better life and better opportunities and to reap and help our peoples reap mutual benefits. So, we are totally open and we hope that the lull that we were affected by over a period of time due to changes and events in the area will be over and that we will move as rapidly as we can to examine all possibilities and to move ahead. Thank you.

[Netanyahu] Let me respond to the last question or to the one before the last. I don't want to leave you in any disappointment. We support the Elat-al-'Aqabah airport. We think it can be a very good stimulus to the growth of Elat-al-'Aqabah region. I think it can be one of the great developing areas in the world. I think that affords a unique meeting place of commerce roads, of tourism potential, of unimaginable magnitude of trade. I think all of these things can take place, but we need to facilitate them. The al-'Aqabah-Elat airport, the peace airport, would be a great boost. We're looking at feasibility studies. I think we have to be a little more sanguine in our projections by thinking about what this area could become, what this airport could service, and we're prepared to move ahead with it. When should we move ahead with it? As soon as possible, and we discussed how to do that. I must tell you that since I was asked about Mr. Sharon, Minister Sharon, he's expressed his support of this airport, contrary to news reports. In general I would be, not that I have anything to say about the press, I think. Of course, I've the greatest respect for our colleagues here. But don't put too much stock in press reports. This is a government that is committed to peace, its ministers are committed, and we will act as one government with one policy for peace.

[Unidentified correspondent] *Your majesty, there are reports on a Jordanian mediation between Syria and Israel. Is there any mediation, and how do you assess your meeting with President Hafiz al-Asad and today's meeting? Are you optimistic over reaching a peace agreement between Syria and Israel before the end of this year?*

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Husayn] *I cannot set dates or explain my feeling regarding the time factor. However, I can only repeat what I said several times, and which I said when I returned from fraternal Syria: that I found Syria to be committed to a comprehensive peace. It is a sincere and serious commitment toward this end. We are not conducting any mediation efforts. Other side contributed to this and played such a role in the past. A while ago I mentioned the United States and fraternal Egypt. We are ready to respond to any call, to seize any opportunity, or to do any service to achieve this comprehensive peace. This is what I told the prime minister, what I said in Syria, and what all sides will know about me in the future, God willing.*

[Correspondent] Regarding the Israeli Government's decisions about the peace treaty or the settlements on the West Bank—you went to Damascus last Saturday. When you were there, did Damascus say that this decision [words indistinct] as far as the Syrians are concerned was a new declaration of war against the peace process. What is your reaction, Your Majesty, to this decision regarding the defreezing of settlements?

[Husayn] I think I had better not answer that. I'll leave it to the prime minister to answer.

[Netanyahu] Well, if His Majesty tossed that ball into my court then I'll happily toss it back to yours. You are very familiar with this decision, which expressed the fact that we want to see the natural growth of communities, of Arab communities, of Jewish communities. We did not stipulate what our policy will be in the future, when and if we shall build new settlements. We merely said that the natural growth that took place under the previous government will continue without the formal constraints that were put in place, that, in fact, did not constrain this natural growth. Life has its own force, and rather than trying to impose artificial chains on couples being married, they're having children and opening kindergartens. This is what we're talking about. We said go ahead, build, marry, have children, have schools, but we did not make any more sweeping decisions than that. I do say that we also believe that when we say there should be free and natural growth, this doesn't mean that the government has removed its own staying hand. The Israeli Government, this Israeli Government will decide how to allocate our resources, and those decisions will be made by the government as a whole. The mechanism that we put into place, however, is that in the normal course of affairs, those decisions will be handled by the minister of defense and the prime minister. And I think this was a prudent and responsible measure taken. I think no one should have illusions. I understand the potency of rhetoric, but I also understand the judgment of realities underneath rhetoric, and I'm sure that anyone looking at this government in the Arab world and beyond the Arab world, understands that there is a government here that is prudent and committed to peace, and will serve as a partner for peace for all those who want to take up its offer. I think I answered your question.

[Husayn] If I may comment here on this. We have had discussion of this particular subject and others. And I believe that there is too much speculation. There is too much of an attempt to blow things out of proportion at times and create areas of misunderstandings. All the answers that we have we will convey to our Palestinian brethren and to any who ask. And I hope and I trust that the Israeli Government will act very prudently and will make sure that it does not create obstacles, but creates incentives and opportunities for progress towards achieving peace in the times ahead.

[Correspondent] *I have a question for Mr. Netanyahu. There are reports that the Israeli authorities recently began to withdraw residency permits from the Jerusalem inhabitants who are currently outside the city of Jerusalem because they either work or study abroad. At the same time, there are thousands of Jordanian citizens, who carry Jordanian passports and reside here in Jordan, and at the same time carry Jerusalem identity cards. These people are very worried that the identity cards will be withdrawn. Will the Israeli authorities withdraw the Jerusalem residency cards from the Jordanian citizens who reside here? Thank you.*

[Netanyahu] We have no such policy. We have one policy, and that is to prevent fraud. We've had some instances of fraud in the issuing of Israeli identity cards. In fact there was a small industry that was created in Jerusalem and we put a stop to it. But we have no other policy. It is merely to ensure that those who legally receive—that there won't be illegal recipients of Israeli ID's. But nothing of the kind that you described.

[Correspondent] One of the problems that was left outstanding from the Jordanian-Israeli peace agreement was the question of water from Israel to Jordan. Did this come up, and in what way was this addressed by you two in your discussions today?

[Netanyahu] Your Majesty.

[Husayn] There is no problem that we see. We received what is our due, and we are continuing to receive that. There is an agreement to look for further sources of water jointly, and we are going to do that.

[Netanyahu] I must say water will be one of those areas that we cannot solve alone. Israel cannot solve it alone, Jordan cannot solve it alone, and I must say we cannot

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in all likelihood solve it together. We need to address it on a regional basis. It is for example one of those things that we want to take up with Syria, because we could benefit the three countries if we could arrive at projects that involve three or more countries. We've decided to form a special committee to deal with the problem of water to advance the outstanding issues. I am sure that we can do so. I am sure that we'll achieve our goals to the satisfaction of all sides. I have no doubt about that.

[Ganor] *Shlomo Ganor, from Israeli Television. Your Majesty: How do you assess the results of the Israeli-Jordanian peace treaty in the past two years? What will you focus on in the future so that we can see the fruits of peace?*

[Husayn]*I believe we will continue to focus on building on the strong foundation that exists now. Naturally, many projects and ideas needed studies, economic feasibility studies, and so forth. We believe this period was sufficient to arrive at certain conclusions. Therefore, we are in the process of making decisions in order to move forward in all areas, God willing. On the other hand, we will, naturally, continue to cooperate with each other and we in Jordan will continue to exert every possible effort to achieve the comprehensive peace with the participation of all parties and on all tracks.*

[Netanyahu] If I may make one comment here. We have with us a distinguished economic delegation of leading Israeli business leaders. They are here because we are committed to breathe life into the Jordan-Israel peace treaty as we are committed to doing the same on the other fronts. Peace consists, in my judgment, practical peace, consists of two aspects. One is improving the economic ties between our two countries, and the second is to improve security. And we have decided to intensify our cooperation on security to buttress the peace. And we believe that this can be the basis for other peaceful relations between Israel and everyone in the Arab world who is interested in advancing peace. I hope at the end that I could say everyone in the Arab world, period. This is what I would like to see, peace between Israel and the entire Arab world. Thank you very much.

[Husayn] Thank you very, very much indeed.

Jordan: AL-ASWAQ Notes Netanyahu's 'Positive Intentions'

JN0608112196 Amman AL-ASWAQ in Arabic 6 Aug 96 p 19

[Editorial: "Netanyahu Takes a New Step Forward"]

[FBIS Translated Text] The usual Jordanian clarity prevailed over the Jordanian-Israeli talks during the first official visit by Binyamin Netanyahu in his capacity as Israel's prime minister.

During the talks, Jordan dealt frankly with the issue of peacemaking and all that is required to achieve a just and comprehensive peace and provide tangible evidence to the people of the region of the benefits of what is taking place in terms of improving their standard of living and securing a better future for coming generations.

It is clear from Netanyahu's statements to reporters that Jordanian credibility prompted the Israeli prime minister to reveal positive intentions, which had to be revealed if peace talks are to be resumed and the signed agreements are to be implemented.

In response to Jordanian insistence that Israel live up to its commitments toward the Palestinians, Netanyahu announced a further easing of the negative measures that have been imposed on the West Bank and Gaza since the previous Israeli Government. He also hinted of a desire to resume negotiations on this track as well as on the Syrian and Lebanese tracks, and pledged openly to withdraw from Lebanon as soon as possible in accordance with an agreement with Damascus in a way that paves the way for a better dialogue between the two sides.

The Israeli prime minister realizes the extent of Jordan's concern about national interests within their pan-Arab framework and recognizes Jordan's pivotal role in realizing peace based on justice and comprehensiveness. Hence, during his visit to Amman yesterday, Netanyahu pledged to overcome red tape and obstacles facing relations between Jordan and Palestine and between Jordan and Israel. He also expressed his willingness to cooperate on the issues of water, projects, trade, and the movement of people on a regional basis in a way that fulfills the demands of the Jordanians and Palestinians regarding the need for peace to reflect on people's lifestyle and living standards.

What is interesting and encouraging is that in Amman, the Israeli prime minister gave the strongest signs since he became Israel's prime minister that he is willing to proceed on the path of peace on all tracks. We assume that he listened with interest to the constant Jordanian stand that the legitimate Palestinian rights are the essence of the conflict, together with the issues of the Golan and southern Lebanon, and the illegitimacy of settlement building.

As His Majesty King Husayn said, we hope negotiations will move forward on all tracks without any further procrastination. We also hope that joint action will be escalated in order to implement the signed agreements

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

so that people will feel the benefits of peace and so that security and stability will be enhanced in this region, whose people have suffered and endured a great deal.

Jordan: Al-Majali Denies Israeli Press Reports on Settlements Issue

JN0508203696 Jericho Voice of Palestine in Arabic 1130 GMT 5 Aug 96

[Interview with Ziyad al-Majali, Jordanian representative to the Palestinian Authority, by Ghada Mansur, from "Today's Events" program; date and place not given—recorded]

[FBIS Translated Excerpt] [Mansur] The Israeli papers are trying to suggest that Jordan and Egypt approve of lifting the restrictions imposed on settlement expansion activities. What is your comment on this?

[Al-Majali] To tell you the truth, I did not read what the Israeli papers wrote about this subject. However, this issue is clear to us, and the Arab position is unified in this regard. Even before the convocation of the Madrid conference, Jordan warned against the seriousness of the settlements issue and warned against the negative repercussions it will have on the peace process. There could not be any solid grounds for what was suggested by the Israeli press on the possibility of Jordanian or Egyptian approval of easing restrictions on settlement activities; on the contrary, during his visit to Jordan today, the Israeli prime minister will hear a strong Jordanian protest regarding this decision. Such decisions do not promote the positive atmosphere necessary for the continuation of the peace process so that it can realize its ultimate goal of a just and comprehensive peace to the region. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Lebanon: Buwayz Denies Date Set for Monitoring Committee Meeting

NC0508132596 Beirut Radio Lebanon in Arabic 1300 GMT 5 Aug 96

[FBIS Translated Text] Foreign Minister Faris Buwayz stated that the Lebanon First issue is ambiguous, despite all the talk that preceded it. He stressed the need for the unconditional implementation of Resolution 425 alone.

On the issue of the cease-fire monitoring committee in the south, Buwayz said that consultations are continuing to hold a preparatory meeting as soon as possible. He denied that a date has been set for this meeting. But, he added that he expects the meeting to be held sometime this week.

Lebanon: Al-Hariri on Meeting With Ross, 'Lebanon First' Proposal

BR0508141396 Paris LE MONDE in French 3 Aug 96 p 3

[Report by Mouna Naim]

[FBIS Translated Excerpt] Is this a simple test balloon or does the plan have genuine content? A few days ago Israeli Prime Minister Binyamin Netanyahu launched the idea of first discussing the conditions for a withdrawal from southern Lebanon with Syria. Along the lines of the "Gaza first" plan which gradually led to the agreements between Israel and the Palestinians regarding the autonomy of the West Bank and of the Gaza Strip, the plan is now known as "Lebanon first":

"Officially we have not received any proposal and Dennis Ross, U.S. coordinator of the peace process, has not informed us of anything," Lebanese Prime Minister Rafiq al-Hariri told LE MONDE. Mr. al-Hariri was in Dublin on Friday, 2 August, for meetings with the presidency-in-office of the EU. "If Israel really intends to withdraw from southern Lebanon there is no point beating around the bush. The Israelis merely have to apply UN Security Council Resolution 425," Mr. al-Hariri added. [passage omitted]

"My feeling" one Arab leader who wished to remain anonymous said, "is that while we await the U.S. presidential election in November, we are going to see efforts directed at keeping the peace process alive. In this respect, the "Lebanon first" option is a test balloon which is not uninteresting because the idea of a withdrawal of the Israeli army from southern Lebanon is attractive to everyone, including — and perhaps above all — Israel. The image of the Jewish state would emerge enhanced from such an exercise and, if somebody had to be held responsible for its failure, it would probably be Syria and Lebanon."

Lebanon: Al-Hirawi Returns After Talks With al-Asad

NC0508192596 Beirut Radio Lebanon in Arabic 1900 GMT 5 Aug 96

[FBIS Translated Text] The Lebanese-Syrian summit in Damascus between President Ilyas al-Hirawi and Syrian President Hafiz al-Asad ended tonight.

Official Syrian presidential spokesman Jubran Kuriyah said that the two presidents underlined the importance of the two countries' cooperation and of continuing their bilateral coordination and united action in order to reach a just and comprehensive peace based on the land-for-peace principle and implementation of Security Council Resolutions 242, 338, and 425.

He added that the talks also dealt with the effects of the negative Israeli policy on the peace process. He noted that the two presidents reviewed the situation in the region and the efforts to rectify inter-Arab relations and cooperation. They also discussed other issues of common interest.

President al-Hirawi returned to Beirut tonight following his talks with President al-Asad.

Lebanon: Al-Hirawi, Birri, al-Hariri Meet; Birri Leaves for Damascus

NC0608114096 Beirut Radio Lebanon in Arabic 1030 GMT 6 Aug 96

[FBIS Translated Text] President of the Republic Ilyas al-Hirawi discussed with Chamber of Deputies Speaker Nabih Birri and Prime Minister Rafiq al-Hariri the latest developments in the domestic and regional arenas, as well as the atmosphere of the talks President al-Hirawi and Prime Minister al-Hariri held in Damascus and Europe respectively. As soon as the meeting ended, Speaker Birri went to the Syrian capital to hold talks on current issues with officials there.

It has also been learned that tomorrow Prime Minister al-Hariri will travel to Damascus after the Council of Ministers' meeting. This meeting moved up to tomorrow morning, Wednesday [7 August], in B'abda instead of tomorrow evening so that al-Hariri can travel. The agenda of the meeting contains 64 items, including looking into the resignation of some employees who are running in the parliamentary elections; the resignation of the Southern Council president, Hasan Yusuf, which he handed over to the prime minister; plus items relating to university organizations and setting certain conditions for studying engineering, general medicine, dentistry, pharmacology, and the licensing of the Higher Institute for Business Studies.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Lebanon: Hizballah Kidnaps SLA Soldier; IDF Participating in Search

TA0508191796 Jerusalem Qol Yisra'el in Hebrew 1900 GMT 5 Aug 96

[FBIS Translated Text] An SLA [South Lebanese Army] soldier, one of General Lahd's men, was abducted from his home in south Lebanon this evening. A senior SLA source told our correspondent Ilan Ro'e that the soldier, 31-year-old George Fu'ad, was at his home in the village of (Hidib) in the Jazzin enclave when terrorists entered the house and took him away at gunpoint. An IDF [Israel Defense Forces] force is searching for the kidnappers, and the IDF is in touch with Gen. Lahd on the kidnapping affair. Our correspondent notes that the IDF is not deployed in that area and that it is controlled by Gen. Lahd's troops only.

Hizballah announced tonight that it is responsible for kidnapping the SLA soldier. In a communique sent out to news agencies, Hizballah announced the kidnapped SLA soldier's name and other particulars.

Lebanon: Hizballah Issues Communique on Capture of SLA Member

NC0608060796 Ba'labakk Voice of the Oppressed in Arabic 0530 GMT 6 Aug 96

[FBIS Translated Excerpt] The Islamic Resistance has added a new achievement to its list of heroic deeds and feats by capturing a Lahdist [South Lebanese Army, SLA] agent during a commando operation carried out deep inside the occupied region.

The Islamic Resistance has issued a communique in this regard, saying that a commando force of the Islamic Resistance advanced deep into the occupied region and laid an ambush on the road leading to the al-Burj-Saydun post on Monday [5 August] morning. With a lightning move, the force succeeded in capturing an SLA agent near the post. The agent was carted off to the liberated areas without any obstructions or confrontations.

The captured agent is Corporal George Fu'ad Bulus al-Khuri from Kafr Nabraki. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Syria: Al-Asad, Lebanon's al-Hirawi Discuss Ties, Peace

JN0508180896 Damascus SANA in Arabic 1655 GMT 5 Aug 96

[FBIS Translated Text] Damascus, 5 Aug (SANA)—President Hafiz al-Asad received Lebanese President Ilyas al-Hirawi at all-Rawdah Palace at 1200 [0900 GMT] today. Vice President 'Abd-al-Halim Khaddam attended the meeting, which was followed by a private meeting between the two presidents. Vice President 'Abd-al-Halim Khaddam, Prime Minister Mahmud al-Zu'bi, and Foreign Minister Faruq al-Shar' joined the meeting later.

During the meeting, a general review was made of the regional situation and developments and the efforts to rectify the current condition of inter-Arab relations and activate Arab cooperation to the interest all Arabs. Discussions dealt with the peace process and the negative effects left by the Israeli policy on the progress of the peace process toward the objective of a just, comprehensive peace.

The two sides stressed the importance of bilateral cooperation, the continuation of full coordination between the two countries, and joint action to achieve a just, comprehensive peace based on the land-for-peace principle and the implementation of UN Security Council Resolutions 242, 338, and 425. Discussions also dealt with issues of common interest to Syria and Lebanon.

The talks continued over a working luncheon hosted by his excellency the president. It was attended by 'Abd-al-Halim Khaddam, Mahmud al-Zu'bi, and Faruq al-Shar'.

Syria: Papers on 'Solid, Strong Front' With Lebanon

JN0608070996 Damascus Syrian Arab Republic Radio Network in Arabic 0450 GMT 6 Aug 96

[Press review]

[FBIS Translated Text] Commenting on Syrian-Lebanese solidarity, AL-BA'TH says: The current situation and developments in the region require that the Arab nation be on the alert and employ all its capabilities to reunite the Arabs and solidify their position in the face of the current serious challenges. The Zionist challenge is the fiercest of these challenges, since it threatens the Arab nation's existence and destiny. This requires the Arab nation to embrace the option of solidarity and cooperation. The recent Cairo summit stressed the need for this. The Zionist danger does not exclude any country; it threatens all the Arabs. Therefore, confrontation is the responsibility of all Arabs.

AL-BA'TH adds: Stemming from the above, we say that the brotherly Syrian-Lebanese relationship, which is organized by the Brotherhood, Cooperation, and Coordination Agreement, is the ideal model for inter-Arab relations. This relationship is based on firm principles, including shared destiny, common interests, mutual respect, and coordination on the political, economic, and social levels. Add to this the rejection of any violation of the rights of the two fraternal countries and of any relinquishment of any inch of their occupied territories.

The newspaper asserts that Syria and Lebanon have succeeded in facing all Israeli ploys, maneuvers, and plots. They managed to prevent Israel from penetrating their solid, strong front.

AL-BA'TH concludes: The summit between Presidents Hafiz al-Asad and Ilyas al-Hirawi confirms the two countries' determination to pursue their joint national and pan-Arab action and their resolve to pursue their successful coordination, which is the cornerstone of the Arab position that confronts Israel's ambitions and plots.

AL-THAWRAH speaks about the strong fraternal relations between Syria and Lebanon. These relations have become an example to be followed in inter-Arab relations and a model for relations between brothers.

Under the headline "Common Objectives," AL-THAWRAH says: Syria has always supported Lebanon and offered everything that helps it in the battles of reconstruction and liberation. Syria has repeatedly said that it will not accept any peace without Lebanon, and that the restoration of the south and the Golan are one priority. Peace is impossible without Israel's full withdrawal from the Golan to the 4 June 1967 lines and Israel's unconditional withdrawal from the south in implementation of Security Council Resolution 425.

AL-THAWRAH asserts that Syria and Lebanon adhere to a just and comprehensive peace, based on the resolutions of international legitimacy, the Madrid frame of reference, and the land-for-peace principle. Any attempt to deal with either Syria or Lebanon on its own or to drag either of them to a partial and separate agreement is rejected and cannot be achieved. Syria and Lebanon will accept nothing short of a comprehensive and fair solution that does not allow Israel to keep any inch of their territories. They also reject any proposal that conflicts with their common objectives and principles, based on the restoration of the south and the Golan in full.

AL-THAWRAH concludes: Israel must understand that peace with Syria and Lebanon can only be established on the basis of justice and comprehensiveness.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

TISHRIN comments on the peace process in the region in light of the hard-line Israeli positions that reject the obligations of a just and comprehensive peace.

The newspaper says the talk of Israeli officials, led by the Israeli prime minister, about peace is nothing more than sweet talk that has no foundations. The question is not about resuming the negotiations; it lies in the substance of these negotiations. Israel's positions on the peace process, in light of the proposals made by Netanyahu and other Israeli officials, prove that there is no intention to make peace. These positions indicate deliberate avoidance of the requirements and obligations of a true, just, and comprehensive peace.

TISHRIN adds that when the Israelis talk about peace, they seek to circumvent the foundations and substance of peace. They want to combine opposites, and this is what Netanyahu specifically wants when he advocates peace for peace, instead of land for peace.

The newspaper says Israel views the peace process from its own aggressive and expansionist perspective and places what it calls security pretexts at the top of its priorities, ignoring the fact that security will not be available without a true, just, and comprehensive peace.

TISHRIN says Syria is concerned about achieving peace and is working diligently to achieve a just and comprehensive peace, based on the resolutions of international legitimacy and the land-for- peace principle.

TISHRIN concludes: Syria cannot be fooled by unserious talk about peace, which Netanyahu tried to market. Syria has repeatedly said that negotiations are not an end, but a means to comply with the requirements of the peace process and not dodge them.

Syria: Paper Says Clinton's Statements Cause for 'Deep Concern'

JN0308160196 Damascus SANA in Arabic 0815 GMT 3 Aug 96

[FBIS Translated Text] Damascus, 3 Aug (SANA) — In its editorial today, AL-THAWRAH wonders whether the peace process is dying and whether Israel is the cause of this, by virtue of its attitude that conflicts with the policies, foundations, and principles of peace and through the coup it staged against the principles of peace.

In an article by Chief Editor 'Amid Khuli, the newspaper says: Netanyahu came to turn the strategic equation of peace upside down. His fresh proposals are meant to blow up the very foundations of the peace process by advancing malicious pretexts that are alien to peace.

The newspaper adds: Netanyahu is dodging his peace commitments to advance the stupid Lebanon-first argument. This malicious and evil argument is, in reality, a circumvention of peace and an abolition of Resolution 425 on Lebanon, which stipulates full and unconditional Israeli withdrawal from all the occupied Lebanese territories. This argument is also a huge mine on the road of peace and for Syrian-Lebanese relations.

The newspaper says it is strange that the U.S. Administration has ignored this argument. In fact, this argument is being marketed under a U.S. canopy. The statements made by President Clinton at the conclusion of his meeting with President Mubarak on this issue are cause for deep concern. It is as if President Clinton has completely disregarded the seriousness of this shift in the peace process, although the Israeli proposal challenges and disparages the U.S. initiative.

AL-THAWRAH adds: Despite the assurances delivered by Ross to President al-Asad that the United States continues to be committed to the peace process in accordance with the resolutions of international legitimacy, what is happening does not call for optimism at all. It will be very serious if Netanyahu exploits the election situation of the U.S. Administration and blackmails it to the point of sucking its blood. This is what Netanyahu is spitefully doing. Until November, Netanyahu may blow up everything and turn things upside down in light of clear U.S. silence or clear blessing.

Concluding its editorial, the newspaper points out that President al-Asad warned in his message to the Armed Forces against misunderstanding Syria's political positions and desire for peace. Such a mistake could produce a serious situation. This is because when Syria talks about peace, this is based on its familiar principles. Under no circumstances or threats will Syria abandon or bargain over these principles. Syria will not accept anything short of its its full rights and the rights of all Arabs.

Syria: Netanyahu 'War' Government Turned Peace Into 'Big Farce'

JN0408173896 Damascus Syrian Arab Republic Radio Network in Arabic 1133 GMT 4 Aug 96

[Station commentary]

[FBIS Translated Text] Gentlemen: The Netanyahu government's decision to launch settlement operations in the occupied Arab territories obliterated the hopes of some quarters, who believed in the possibility of Israel's return to sanity and the victory of political reality.

It is well known to everyone that settlement activity is the most serious obstacle to progress in the peace

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

process. Indeed, it contradicts any real peace effort. The entire world denounced settlement activity and called for an immediate halt to it.

In view of the resumption of settlement activity and the preceding provocative statements and intransigent stands, observers deduce that the Israeli Government is proceeding with its plans that are hostile to peace. Observers also deduce that Netanyahu is committed, heart and soul, to the savage statements and extremist pledges made during his election campaign, and that the advice given to him by influential international quarters was unheeded.

Since the U.S. initiative was launched, observers agreed that Syria is a basic pillar in the Middle East peace process and that it is impossible to achieve any progress without Syria's effective participation. Indeed, Syria made important contributions and repeatedly rescued the peace process from collapse and thus, deserved the international community's appreciation. However, Israel's prime minister began his governmental responsibilities with a violent attack against Syria and by frankly stating that he will never withdraw from the Golan and that he will not exchange land for peace. He even went beyond this when he mobilized the Zionist lobby in the United States to force the Congress to adopt sanctions against Syria under the pretext of terrorism, pretending to forget that occupying the territories of others, which is a violation of international resolutions and UN charters, is the most serious form of terrorism.

However, the U.S. Administration did not respond to Netanyahu's wishes. In Netanyahu's presence, the U.S. Administration stated openly that peace is impossible without Syria and that Syria's basic role in the region cannot be circumvented. With the failure of this scheme, Netanyahu returned to the Lebanon First proposal aimed at driving a wedge between Syria and Lebanon and separating the inseparable Syrian and Lebanese tracks without committing himself to UN Security Council Resolution 425.

Needless to say, officials and the public in Lebanon immediately denounced this proposal, asserting their full solidarity with Syria and their commitment to the resolutions of the Cairo Arab summit, and revealing the secrets of the Israeli game and the dangers it poses to Lebanese existence.

On the Palestinian level, we recall Netanyahu's refusal to deal with the Palestinian Authority and implement the provisions of the Oslo agreements. Indeed, the current Israeli Government did not honor any agreement. By launching settlement operations in the West Bank, Gaza Strip, and the rest of the occupied territories, it practically directed the fatal bullet at whatever spirit was left in the peace process. We realize that the Palestinian Authority controls only six percent of the West Bank territories and that the minister of infrastructure or rather the minister of settlement activity and the well-known war criminal [Ari'el] Sharon intends to confiscate this six percent to build what he called bypass roads that serve the settlements. Hence, it is clear to the simplest observers that Netanyahu's government turned the peace process into a big farce. Indeed, this government — which is comprised of the most extreme, racist, hateful, and criminal Israelis — is a war government, which is in glaring and full contradiction with peace.

This serious reality requires a firm stand and frank denunciation on the international community's part, especially since many people, including ministers and personalities in Israel itself, warned of the inevitable obliteration of the peace process if the current policy continues. Moreover, it requires a more decisive and solid Arab stand toward supporting the Cairo summit resolutions with practical stands and an actual review of measures toward normalization with Israel.

It is important for the Israelis to realize that peace with the Arabs depends on implementing the UN Security Council resolutions and hence, returning all the occupied territories and respecting the rights of the Palestinian people, especially the right to self-determination.

It is also important for the Israelis to realize that the Arabs are one body and that it is impossible to infiltrate this body with acrobatic moves and the divide and rule policy. Hostility toward Syria means hostility toward all the Arabs, and hostility toward the Palestinians means hostility toward Syria and all the Arabs. The power of the Arabs, first and foremost, lies in their unity and solidarity. The more the Arabs unite and adhere to their objectives, the more the international community will move toward imposing the bases for a just and comprehensive peace.

Syria: Israeli 'Terrorism,' Netanyahu's Policies Criticized

JN0508092096 Damascus Syrian Arab Republic Radio Network in Arabic 0450 GMT 5 Aug 96

[Press review]

[FBIS Translated Text] In its editorial today, titled "International Hotbed of Terrorism," TISHRIN notes the recent blasts in the United States and Saudi Arabia and Israel's prompt attempt, without evidence, to blame some Arab and Islamic states that are hostile to it for these terrorist actions. It is noticeable that after each incident in the world, Israel associates the name

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the Arabs with terrorism, launches a propaganda campaign about Arab and Islamic terrorism, and makes political efforts to urge the international community to take punitive measures against some Arab and Islamic countries.

TISHRIN notes that this trick has fooled some quarters of the international community for different reasons. However, the maneuvers and tricks of Zionism will not conceal the fact that Israel is the foundation of terrorism and the source of tension and instability in this region and the world. Zionist ideology, which continues to be the prevailing official tenet in Israel, calls for killing anyone who is not Jewish and seizing his territory and possessions. This ideology also sows hatred and spite in Jewish consciousness and maintains that the Jews are superior to other people. As a result of this continued cultivation of this Zionist ideology, terrorism has been a feature of Israeli policy for almost half a century. In fact, senior Israeli leaders brag about committing terrorist actions and massacres against innocent Arab citizens. Israeli leaders planned and took part in massacres in Dayr Yasin, Qibya, Bahr al-Baqar, Sabra and Shatila, and Qana. They also ordered the expulsion of millions of defenseless residents from their homes, killing hundreds of Arab POW's in Sinai, and launching aggressive wars against Arab countries. Despite this, the Zionists dare to accuse others of terrorism.

TISHRIN says the United Nations and other competent international organizations confirmed in an official report that the massacre committed by the Israeli army in Qana was a premeditated and deliberate action. Despite this, the international community did not put pressure on Israel to try the criminals who committed this loathsome bloody action.

TISHRIN says Israeli statesmen and leaders of world Zionism have not spared any terrorist method. They killed children, abducted innocent citizens from other countries, bombed and hijacked civilians planes, destroyed economic facilities, and imposed a siege on hundreds of thousands of people in the occupied territories. They also practiced physical terrorism against individuals and peoples in their entirety, organized terrorist actions against writers and intellectuals, and attacked the great human value of peace.

TISHRIN concludes: Maintaining silence on this Israeli terrorist record, which is full of crimes against humanity, means encouraging the leaders of Israel to commit more actions of terror, murder, and destruction and urging Zionist organizations to continue to inject the venoms of spite, hatred, and racism into the arteries of the world. As long as Israel continues to provide a fertile climate for the growth of terrorism all over the world, it is impossible to stem terrorism and it is impossible for the international community to experience calm and stability.

In its commentary, titled "The Arabs and the Need to Adhere to Rights," AL-BA'TH says: Political quarters interested in the peace process are unanimous that a just and comprehensive peace in the region is a strategic option for Syria. They also agree that Syria is doing its best within the framework of the international resolutions and the land-for-peace principle to achieve this strategic objective. These quarters assert that true peace that provides security and stability for everyone is impossible to achieve without Syria.

AL-BA'TH says the Netanyahu government's policy of beating around the bush and coming up with ideas and arguments outside the framework of the foundations and principles of the peace process is a waste of time and disavowal of the entire peace process.

AL-BA'TH adds: Those who observe the policy of the Tel Aviv government immediately find out that this government is implementing a program that seeks to blow up the very foundations of the peace process, to say the least about this program. We note here the recent Israeli decision on settlement expansion in all of the occupied Arab territories. Clearly, this decision did not come from a vacuum. It was issued in the aftermath of a series of Israeli attacks which confirm that Israel is not concerned with any just and comprehensive peace and that its chief concern is the policy of expansion and grabbing more Arab land.

AL-BA'TH concludes: It is useful to say that it all depends on the Arabs. If they support their causes and rights, then the whole world will side by them, especially since the Arabs have rights and are defending a just cause.

Syria: Radio Says Netanyahu's Settlement Policy Endangers Peace

JN0508184696 Damascus Syrian Arab Republic Radio Network in Arabic 1130 GMT 5 Aug 96

[Station commentary]

[FBIS Translated Text] Dear listeners: There is no doubt that the Israeli Government's decision to ease restrictions on settlement expansion and building in the occupied Arab territories implies an official declaration in which Binyamin Netanyahu shows his government's determination to depart from the peace process and pursue a path that differs totally from the right direction that was defined by the Madrid conference. This path also conflicts with the principles and clear features of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

true peace, which contains the factors of life and which can survive agitation and changes.

Thus, the Netanyahu government's decision also implies a challenge to Arabs, to the international community, to all nations' aspirations for peace, and to renunciation of violence. It also shows the extent of Israel's indifference to and tampering with peace prospects, as well as its attempts to endanger the region's security, the safety of its peoples, and world peace, security, and vital interests.

Undoubtedly, such a challenge directly places international legitimacy before its responsibility in order to deter Israel and force it to respect the resolutions of the international community. We do not think that the policy of flattery will prevent Netanyahu from his arrogant insistence on putting into effect his electoral statement and his government's policy statement before the Knesset.

The Israeli Government's plans prove that it insists on its hostile expansionist policy, which will only result in the danger of renewing a tragic, bloody conflict in the region and destroying every hope for a true peace based on right, justice, the Madrid conference, and the principle of land for peace.

Netanyahu is unable to assess the situation because of his arrogance, but the international community is undoubtedly able to realize the possible results of the reckless policy that was declared by the Israeli Government. We do not believe that the international community, particularly the influential forces, will allow Israel to continue its tampering with peace in one of the most sensitive regions in the world. We also believe that the influential forces of the international community know the danger Netanyahu's peace is posing to true peace aspired to by all peoples.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Afghanistan

Afghanistan: Foreign Minister Calls on Pakistan To Stop Taleban Support

LD0508131296 Tehran IRNA in English 0612 GMT 5 Aug 96

[FBIS Transcribed Text] Kabul, Aug 5 (IRNA) — Acting Afghan Foreign Minister Najibollah Lafra'i [as received] called for the discontinuation of Pakistan's assistance to the Taleban and the establishment of peace in the country. In an interview with Irna Sunday [4 August] evening he said that the Afghan government has instructed the mass media to stop propaganda against Pakistan. He urged Islamabad to halt support for the opposition in a bid to improve ties with Kabul. Lafra'i brushed aside rumors of a shift in Afghan foreign policy following the coming to office of Prime Minister Golboddin Hekmatyar. Kabul government has always strived for friendly relations with other countries including Pakistan on the basis of mutual respect and non-interference in the domestic affairs of each other; he said that it is unfortunate that Islamabad has not fully reciprocated the good will demonstrated by Kabul other than accepting an Afghan delegation. He added that Pakistan's interference in Afghanistan still continues. He expressed the hope that Kabul-Islamabad ties will further expand in the light of the current developments in Afghanistan and the visit to Islamabad of a high-ranking Afghan government delegation next week. He added that commodities which were being sent to various local commanders of Afghanistan from Pakistan, will from now on only be sent to the central government.

Lafra'i praised the efforts of Iranian officials to restore peace to Afghanistan and expressed the hope that these initiatives will continue in future. The Afghan foreign minister also called for an expansion of overall ties with Iran, especially in the economic and cultural fields,

The visit to Iran last may of President Borhanoddin Rabbani of Afghanistan and his participation at the summit meeting of the Economic Cooperation Organization (ECO) in Ashgabat, as well as his meetings with officials from various countries have all boosted the credibility of the central government in Afghanistan.

Denying the claims of the Afghan government's support for the Islamic movement of Tajikistan, he said the Kabul government favors an expansion of ties with Dushanbe.

Stressing the Afghan government's support for peace attempts by foreign countries and international organizations, he said the crisis in Afghanistan should be settled by the Afghans themselves and through dialogue.

The United Nations can play an effective role in encouraging the existing groups in Afghanistan to accept political and peaceful ways, he underscored.

Emphasizing friendly ties with the Indian government, Lafra'i said Kabul is in favor of good relations with all neighboring countries and that the improvement of ties with one country will not mean neglecting relations with another country.

Afghanistan: Hekmatyar Discusses Relations With India,Iran, Pakistan.

BK0508132496 Madras THE HINDU in English 4 Aug 96

[Report by P. Suryanarayana—received via Internet]

[FBIS Transcribed Text] Kabul 3 Aug—The Afghan Prime Minister, Mr. Golboddin Hekmatyar, who is known to have harbored reservations about India in the past, made a categorical statement here today that New Delhi "should not repeat" at this stage what he now saw as its "mistakes" in dealing with the sensibilities of the various players on the Afghan scene in the past. However, the present Afghan Government, constituted about a month ago when he joined forces with the powerful Rabbani-Mas'ud coalition, "would like to have good relations with all countries including India," he asserted.

Mr. Hekmatyar said he was "thankful" for the message of greetings he had received from India on his assumption of office as Prime Minister. But, he noted in response to a series of questions from this correspondent that "we (meaning his Hezb-e Eslami party) consider ourselves right on this issue of complaints against the rigid policy of India during the years of jehad (or the earlier U.S.-sponsored anti-communist phase of the Afghan civil war)." Nonetheless, he said, he would now "hope" that India would reciprocate the sentiments of the present Government in Kabul by respecting the wishes of the people of Afghanistan (as he might interpret them).

Mr. Hekmatyar did not give a direct answer to a specific question from this visiting Indian journalist about his prospective equation with India in the context of his party's support for pro-Pakistani groups in the Kashmir valley at least in the past.

He did not, at this time, make any particularly warm references to Pakistan, although he announced that the new Government would be looking to Iran as well as Pakistan for food assistance in the short run. Other countries, too, would be approached in this connection, he said without mentioning India by name. Moreover, he placed India in the political category (as he saw

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

it) of "countries in the region" while viewing Pakistan as one of Afghanistan's "neighbors." The international community had often suspected that Pakistan was Mr. Hekmatyar's patron-friend during the long years of U.S. sponsored Afghan struggle against the old Soviet-backed Najibollah Government in Kabul. Both Pakistan and Mr. Hekmatyar have frequently sought to discount the existence of any such bilateral nexus in the past.

It is also not clear now whether Mr. Hekmatyar's latest political differentiation between India and Pakistan, as distinct from a geographic reality, is shared in equal measure by the other two members of the new Afghan triumvirate — the President, Prof. Borhanoddin Rabbani; and the military wizard, Mr. Ahmad Shah Mas'ud.

Answering a question about his new equation with Mr. Mas'ud, his old competitor on the anti-communist Afghan scene, Mr. Hekmatyar said: "Our (mutual) relationship is brotherly and friendly. In this regard, there is no problem."

Those wishing to see this new alliance in a different light would be "disappointed." In focus was the unspoken stakes for the rank of "first among equals" in Kabul.

A subject of some international curiosity in this regard will be the extent of success that Mr. Hekmatyar might be able to accomplish in sustaining what he sees as friendly ties with Mr. Mas'ud, on the one hand, and Prof. Rabbani, on the other, during their current struggle against the Taleban militia in the ongoing Afghan-Islamist civil war and thereafter.

Asked about the Taleban's general image as a Pakistan sponsored unit, Mr. Hekmatyar said, in a palpable jocular vein, that a view in certain circles was that "India is helping them."

Maintaining that the truth was not known, he said his Hezb-e Eslami would "from now on, respect the policy of (the present Afghan) Government (of which he is a pivotal part)."

The Government's "clear policy in this regard" would be "sufficient," he added, without going into the details of this policy of seeking a dialogue with the Taleban while preventing it from capturing power in Kabul.

Mr. Hekmatyar did not make any specific mention of Gen. 'Abdol Rashid Dostam's relevance to a future peace process in Afghanistan.

Answering questions from other foreign journalists and Afghan newspersons, Mr. Hekmatyar said at a press conference that the U.N. new peace envoy, Dr. Norbert Holl, must first announce a peace formula without going through the motions of ascertaining the already-known views of the Afghan factions. The Afghan Government, for its part, would be willing to talk to the Taleban if the latter were to accept the principles of "cease-fire, negotiations, a gradual demilitarisation of important Afghan cities and elections."

Afghanistan: Mojahedin Neutralize Taleban Attacks in Paktia, Paktika

LD0508194596 Kabul Radio Afghanistan Network in Pashto 1530 GMT 5 Aug 96

[FBIS Translated Text] Fighting has intensified in the provinces of Paktia and Paktika and the mojahedin have captured several positions in those provinces. Reports reaching BAKHTAR say that the mojahedin have achieved considerable success in both provinces. The incidents occurred after the Taleban mounted a major offensive against the mojahedin positions a few days ago. The Taleban attacks were neutralized on the first day of the offensive. The mojahedin [words indistinct] and have shot down one of the Taleban helicopters. The warmongering policy of the Taleban has angered the people and mojahedin and has provoked [words indistinct] the people to revolt against them.

Having neutralized the enemy offensive, the mojahedin cleared the districts of Gomal and [word indistinct] and eight villages of the Taleban. [words indistinct]

As a result of the mojahedin's counterattack, two districts and some villages have been liberated. Heavy loss of life and materiel was inflicted on the Taleban, and they were forced to retreat. The Sarawza-Urgun highway [in Paktika] has been reopened. The Taleban are now encircled by the mojahedin. [words indistinct] Now heavy fighting is going on in Sharana, the capital of Paktika Province. [words indistinct]

Air force warplanes bombed the Taleban positions in [words indistinct] as a result of which heavy loss of life was inflicted on them.

A BAKHTAR correspondent says that the Taleban are increasingly facing popular uprisings in the areas they control. [words indistinct] They are recruiting young people by force and are exacting heavy taxes from the people. [words indistinct]

After the Taleban executed a resident of the Esma'il Khel area, the people of Esma'il Khel refused to surrender their weapons to them and the Taleban faced a general uprising by the Esma'il Khel tribe. About 30,000 people of the tribe have revolted against the Taleban and thrown them out of their area.

The recent revolt against the Taleban in the southeastern provinces might spread to other Taleban-controlled

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

areas as well, and will burn this mercenary group in the fire it has lit

Bangladesh

Bangladesh: Finance Minister Delivers Budget Speech

BK0508014596 Dhaka THE DAILY STAR in English 29 Jul 96 pp 6, 7, 8

["Text" of budget speech by Bangladeshi Finance Minister S.A.M.S. Kibria to the parliament in Dhaka on 28 July]

[FBIS Transcribed Text] Mr. Speaker,

1. I seek your permission to place before the House the budget for 1996-97 and the supplementary budget for 1995-96.

2. It is a matter of joy and pride for me as a freedom-fighter to have the privilege of presenting before this august House the budget of the Government of independent and sovereign People's Republic of Bangladesh for the year commemorating the 25th anniversary of liberation struggle. Since time immemorial, the long history of Bengali nation has been a saga of continuous struggle. The foundation of this ninth populous state of the world was laid by the sacrifices of innumerable martyrs. At this moment, I remember with profound respect those valiant sons of Bangladesh whose sacrifices have earned for us a place in the comity of nations. From the Language Movement in 1952 to the successful completion of the glorious Liberation War, our struggle has created an unforgettable and glorious heritage. I recall with profound reverence the unique and immortal contributions of Bangabandhu [Friend of Bengal] Sheikh Mujibur Rahman who was at the same time the noble leader of our liberation struggle, the greatest Bengali of all times, the architect of independent and sovereign Bangladesh and the Father of the Nation. His fearless leadership, matchless patriotism and noble ideals will be an eternal source of inspiration for the people of this country. I will cherish forever the memory of his affectionate personal association with me during my tenure in the Ministry of Foreign Affairs immediately after independence. I am grateful to Allah for giving me the opportunity of being associated as a colleague after about twenty four years with his able daughter Sheikh Hasina who is the cynosure of the masses of Bengal and the great leader of the people. With sad heart, I pray for the departed soul of the Father of the Nation, his family members and the national leaders who were assassinated by the conspirators in 1975.

Mr. Speaker,

3. The present government which was elected through a proper democratic process under the supervision of a caretaker government, is the outcome of a united movement. This national movement was led by the champion of democracy, the leader of the people and the leader of the House Honorable Prime Minister Sheikh Hasina, with great courage, patience and wisdom. History will forever remember with gratitude her contribution to restoration of democracy in Bangladesh. After restoring voting rights of the people, she has taken the initiative to establish the democratic system in Bangladesh on a lasting basis by setting up a consensus government. The politics of consensus is based on mutual respect, tolerance and understanding. She wants to take opposition into confidence in running the government. By eschewing conflict and inner contradictions, politics of consensus, we believe, can unleash the captive creativity and the ability of the people of Bangladesh.

Mr. Speaker,

4. We would like to review our experience since independence on the occasion of 25th anniversary of our liberation war. We should search our souls for the lessons of history. Have we realized the vision of the golden future which was presented to us by the Father of the Nation while inspiring and organizing the people during the turbulent days of liberation struggle? Will his Golden Bengal remain a mere dream? Despite twenty five years of political freedom, the life of more than half (51.7 percent according to a survey in 1994) of total population in Bangladesh is blighted by the quiet violence of poverty. In 1994 per capita income in Bangladesh ($220) constituted only 58 percent of the average per capita income ($380) of the low income countries in the world. Accelerated economic growth contributed to significant reduction of poverty in a large number of countries in Asia. However, the undemocratic and selfish politics have stunted the growth potentialities in Bangladesh. According to World Development Report, 1996, the average annual growth rate of 51 low income countries was 3.4 percent during 1985-1994 whereas the corresponding real rate for Bangladesh was only 2 percent. Growth rate in Bangladesh is much slower than those in most of the SAARC [South Asian Association for Regional Cooperation] countries. Structural reforms did not succeed in infusing significant dynamism in Bangladesh economy. We should, therefore, like to identify the main sources of the sluggishness of Bangladesh economy.

5. The distinguished American economist Paul Krugman rightly pointed out that hidden budget deficit is a major obstacle to long-term sustainable growth. These unannounced deficits are not directly placed before the public representatives; indirectly they pose serious threat to the very economic structure of the state. Inefficient

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

management and weak administration encourage such unannounced budget deficits.

Mr. Speaker,

6. The ever-increasing losses in the state owned enterprises constitute a major weakness of Bangladesh economy. In 1972, the Awami League government nationalized some industries with definite objectives.

Article 13(a) of the constitution of the People's Republic of Bangladesh clearly, states that state ownership refers to "ownership by the state on behalf of the people through the creation of an efficient and dynamic nationalized public sector embracing the key sectors of the economy". From the economic point of view, efficiency implies the best utilization of resources and dynamism refers to those factors which accelerate economic growth. Those state owned enterprises which in flagrant violation of constitutional mandate have crippled the economy through their losses rather than paying dividend to the people have no right to exist in the nationalized public sector in the true spirit of the constitution. Unfortunately owing to corruption, inefficient management and short-sighted policies in political interest during last twenty one years, state owned enterprises have deviated from the main objectives of nationalization and have contributed to increased losses. In recent years, these deficits are mounting fast. According to one survey, losses of state owned enterprises excluding banks and railways increased from Tk. [taka] 1400 crore in 1994 to Tk. 2300 crore in 1996. According to some economists, if losses in state owned enterprises could be prevented, gross domestic saving in Bangladesh would increase by two percent.

Mr. Speaker,

7. The irregularities and inefficient management in financial institutions not only contribute to deficits but also impede the development of a market-based economy. The Government has issued bonds to the tune of Tk. 3,917 crore and paid Tk. 1,061 crore in cash to four nationalized banks for provision against bad and doubtful debts. The total interest costs of these bonds would be about Tk. 300 crore per year. This implies that each citizen in Bangladesh has to pay an additional tax of Tk. 25 per annum to compensate for the loan defaults by the wealthy. Despite these significant investments by the Government, financial discipline has not been restored in nationalized banks as yet. Thanks to short-sighted politicization of bank boards, classified loans of four major nationalised banks, according to their own estimates, constitute about 31 percent of their portfolio. Furthermore, other state-owned financial institutions such as Bangladesh Shilpa Bank (BSB), House Building Finance Corporation (HBFC), Bangladesh Shilpa Rin Sangstha (BSRS), Bangladesh Krishi Bank (BKB), and Rajshahi Krishi Unnayan Bank (RAKUB) are yet to be rehabilitated financially. Those who have created anarchy in the financial sector during last twenty one years have cheated the people and actions will be taken against them under the laws of the country.

Mr. Speaker,

8. The deferment of essential investment is another source of structural weakness of the economy. Essential investments were not made in the power sector. The supply of natural gas and water is inadequate. Investment to the tune of Tk. 2,000 to 3,000 crore is needed in power generation sector alone. The issue is not one of resource mobilization only. Such projects cannot be implemented overnight. The nation will have to bear the cost of electricity, gas, and water shortage arising from the failure to make essential investments in time.

Mr. Speaker,

9. Despite the postponement of essential investments, domestic and foreign debt of the government increased significantly during last five years. In 1974-75, the total foreign borrowing of the Government was $973.8 million. In 1990-91, it stood at 12,731.8 million. In 1994-95, it increased to 16,766.5 million. During the first four years of the former government, foreign debt increased by $4,052.7 million or Tk. 16,900 crore. During last five years, internal debt increased to about Tk. 12,980 crore. The allocation for interest payment has sharply risen. In FY [Fiscal Year] 1990-91, Tk. 845.55 crore was allocated for payment of interest on domestic and foreign debt. It rose to 1,739.7 crore in the revised budget of FY 1995-96. In FY 1990-91, interest on debt constituted 11.6 percent of revenue budgets; in FY 1995-96 it increased to 14.7 percent. In the current fiscal year foreign debt repayment is estimated at $525 million or about Tk. 2,200 crore. New debts are created to service old debts. Debt financing by the government is not unusual. However, the future generation will have to bear liabilities for the unproductive investments in the past.

Mr. Speaker,

10. The sluggishness of agricultural sector, particularly of the crop subsector, is a matter of great concern for the nation. During last five years, investment in agriculture had been inadequate. During the period 1985-86 to 1989-90, total irrigated area increased by 8.39 percent. During the period 1990-91 to 1994-95, this rate has fallen to 2.86 percent only. The distribution system of fertilizer broke down as a result of undesirable political interference. The farmers had to lay down their lives for fertilizer. Agricultural credit

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

system is paralysed by overdues. Owing to inadequacy of investment, agricultural sector in Bangladesh has become increasingly dependent on the whims of nature. During last two years more than five million metric tons of foodgrains were imported from outside. In 1990-91, per capita availability of foodgrains per day was 459 gram. It gradually decreased during last five years and now stands at 432 gram.

11. During last five years, the Government undertook structural reforms in various sectors. However, from agriculture sector to jute sector, from trade liberalization to public resource management, firm political commitment was lacking for full implementation of the reforms.

Consequently abortive reforms contributed to social and political unrest, economic reforms did not yield expected benefits. Because of short-sighted politicization and arbitrariness, the morale of the public servants broke down. The domestic and foreign investors lost confidence because of bureaucratic delays and failures. Private sector did not, therefore, respond.

Mr. Speaker,

12. It is not my purpose to create despondency by presenting a gloomy picture of the economy. However, it is my sacred duty to present to this august House a realistic and objective account of the economy. It can not be denied that the present government has inherited a sluggish and fragile economy. During last five years the economy of Bangladesh has been trapped in a vicious circle of low growth. GDP [Gross Domestic Product] grew at 4.2 percent in 1993-94. It edged up to 4.4 in 1994-95. GDP growth rate for the year 1995-96 is projected at 4.7 percent. However during the year 1995-96, growth in all sectors except agriculture and mining declined compared to previous year.

13. Foreign exchange reserve has been dwindling during last fifteen months commencing May, 1995. Total reserve stood at $3.07 billion on 30th June 1995. It declined to $2.03 billion on the corresponding day in 1996. Total deficit in the current account was $420 million during the FY 1993-94. It increased to $1.03 billion in FY 1994-95. It is projected at $1.27 billion at the end of the FY 1995-96. According to the estimates of Export Promotion Bureau, exports grew at the rate of 37.04 during 1994-95. Export growth rate declined to 10.5 percent in 1995-96. Imports increased by 23.3 percent during first nine months of FY 1995-96. Remittances of expatriate nationals was $1.19 billion in FY 1994-95. It is projected at $1.20 billion for FY 1995-96 — almost at the same level as the previous year. The total disbursement of aid has significantly fallen. In FY 1994-95, it stood at $1.74 billion. Expected disbursement for FY 1995-96 was $1.85 billion, actual disbursement is however estimated at less than $1.45 billion. The failure to utilize foreign aid is one of the reasons for the reduction of the foreign exchange reserve.

14. Inflation has been edging up since March 1995. In November 1995, the monthly rate of inflation was 5.9 percent. It is now estimated at about 5 percent. It may be mentioned here that inflation rates quoted in this speech are based on the rates calculated by Bangladesh Bureau of Statistics (BBS) on the basis of their traditional formula. This is based on the cost of living index of Dhaka middle class. BBS has devised a new method for calculating the rate of inflation on the basis of cost of living throughout the whole country. There are, however, some questions regarding the reliability of data on cost of living in rural areas. This is why, new inflation index was not quoted in the speech. However, it appears that the new index might indicate a higher rate of inflation. The increase in the price of foodgrains is a major factor for inflation. This might have been reinforced by the increase in domestic credit. The supply of domestic credit increased by 16.2 percent during the year commencing from May, 1994; it stood at 27.9 percent during the corresponding period in 1995-96. However, because of the contraction in the external sector, broad money supply increased by 4.2 percent during the first eleven months of 1995-96. This might have partly offset the pressure on prices resulting from the sudden spurt in domestic credit.

Mr. Speaker,

15. The greatest challenge before to-day's government is to accelerate growth by infusing new life in a sluggish economy. We cannot realize the dream of Golden Bengal without converting the problem-ridden and fragile economy of Bangladesh into a rapidly growing sustainable economy. Under the leadership of Prime Minister Sheikh Hasina our government will not only encourage domestic and foreign investment but also create a congenial and helpful environment for safe investment by pursuing mainstream open economy policy. With these ends in view, creative and risk-taking entrepreneurs will be given all help and facilities. Investment will have to be raised rapidly not only in industrial sector but also in infrastructure, agriculture and social sectors. Actually investment is the key to acceleration of growth and development. However, rapid economic growth alone is not sufficient. We have to harmonize economic growth with social justice. We will determine our strategies for development taking into account our supreme goal of poverty alleviation. The present government is determined to transform the poor and unemployed into dignified and self-reliant manpower. We want to rid the country of the curse

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of illiteracy. Honorable Prime Minister Sheikh Hasina has expressed her determination to eradicate illiteracy and expand facilities for education. Our government is determined to implement her pledges. We would like to make safe drinking water available to all citizens, to provide modern medical facilities to all and to provide safe maternal care. Special attention will be paid to the problems of women and children. In fact we will realize the dream of Golden Bengal by providing the basic needs of the people such as food, clothing, shelter, education, medical facilities and a clean and safe environment. It is feasible to achieve these objectives in next ten years. All our commitments cannot, however, be implemented simultaneously. We will, therefore, pursue a phased programme.

16. Because of constitutional compulsion, the present government had to place the budget within five weeks of its assumption of office. Obviously, five weeks is not adequate for the preparation of a budget.

As the National Assembly was in a state of dissolution in last June, the President in exercise of the powers under clause 93(3) of the constitution authorised expenditure for supplementary budget for FY 1995-96 and three months' estimated expenditure for FY 1996-97 through two separate Ordinances. Article 93(4) of the constitution requires that provisions of articles 87, 89 and 90 shall with necessary adaptations be complied with in respect of these ordinances within thirty days of the reconstitution of the Parliament. The budget had to be prepared hurriedly for placing the Annual Financial Statement in accordance with the constitution. However, even within this short time, representatives of trade and industry, economists, journalists and NGOs [Non-governmental Organizations] were consulted. I took an initiative for pre-budget exchange of views with the Honorable Members of the Opposition. Unfortunately, I did not receive any positive response. Efforts have been made to reflect the priorities of the newly elected government in the budget. We must remember that our desired goals cannot be achieved through government expenditure alone. The preconditions for attaining these goals are good governance and sound principles of financial management.

Mr. Speaker,

17. There is an urgent need for immediate reforms in administration and economy of Bangladesh. Whatever might be the odds, the present government will not hesitate to undertake necessary reforms. However, we must be aware of administrative limitations in undertaking too many reforms simultaneously. Moreover, hasty reforms generate social and economic tension and unrest. Consequently, bids for widespread reforms often turn out to be counterproductive. The experience of incomplete reforms during last five years in Bangladesh supports this hypothesis. The present government will, therefore, undertake reforms in selected areas in accordance with a strategy rather than undertaking too many reforms at the same time. Once reforms are undertaken, there will be no withdrawal or backtracking. The priority reforms will have to be protected at any cost.

18. Government alone cannot promote development. The private sector is the engine of growth in the globalized economic system. The role of the government will be limited to creation of conducive environment and the required facilities. The experience of the twentieth century clearly indicates that the command economy is an obstacle to development. Sustainable development can only be ensured by the invisible hand of the market. In order to encourage domestic and foreign investment, the Government will, therefore, curb the discretionary power of administration, reduce the areas of government control and create an investment-friendly political and social climate. We are determined to remove all obstacles to competitive economy. Today on behalf of this august House, I extend a warm welcome to the foreign investors to Bangladesh and assure them that this Government will take all possible measures to ensure a safe environment for investment.

19. Rapid industrialization on the basis of limited domestic market of Bangladesh alone is not feasible. We will have to produce goods for the export market. This calls for export led growth strategy. The cornerstone of this policy is equal facility for export and import-substitution industries. Protected market and high tariff will discourage investment in export-oriented industry. Moreover, protection to import-substitution industries contributes to distortion in exchange rate. In order to promote exports, the level of protection will have to be reduced. In the present economic system, we will have to open our markets to foreign exports by reducing restrictions if we want access for our exports to foreign markets. The exchange rate will have to be appropriately adjusted on the basis of real effective exchange rate.

20. A competitive and open economy is not a sufficient guarantee for economic development. Appropriate macro policies will have to be pursued to maintain stability in the economy. To keep inflation rate under control, unproductive expenditures of the government will have to be reduced on the one hand and money supply will have to be monitored carefully on the other hand. In his address on 10th December, 1974, Bangabandhu Sheikh Mujibur Rahman listed inflation as one of the three prime enemies of Bangladesh. The present government is aware of the harmful effects of inflation. We are, therefore, determined to curb inflation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mr. Speaker,

21. Poverty alleviation in Bangladesh is contingent on a transition of the economy from a sluggish to an accelerated growth path. We will raise GDP growth rate to 5.5 percent in the current year and further raise it to 7 percent in next five years. The experience of Bangabandhu's government suggests that this is not an unattainable goal. It may be recalled here that the economy of Bangladesh grew, according to BBS, at the rate of 9.6 percent during FY 1973-74. This was the highest growth rate in Bangladesh during last twenty five years.

22. Investments in both public and private sectors will have to be increased to accelerate growth. Political and economic stability will encourage investment in private sector. Policies for supporting and encouraging private investment will be pursued. Unproductive expenditures in the public sector will be slashed. Both revenue budget and Annual Development Programme (ADP) will be re-examined in the light of economic efficiency. Each project will be prepared in the light of medium term and long term perspective plan. Preliminary measures are being taken to strengthen planning system. The management in the nationalized sector will be toned up. If reorganized management does not succeed in reducing losses in any state-owned enterprise, it will be privatized. However, workers will be paid adequate compensation and provided facilities of training for alternative employment in case of privatization. Reforms in financial sector will be intensified. Appropriate actions will be taken against loan defaulters. A competitive financial sector will encourage investment in the country.

23. The path of economic reforms was never strewn with roses. However, the international economic environment has posed new obstacles to economic development of countries like Bangladesh.

The amount of foreign aid is fast dwindling. The conditionalities of aid are also becoming stringent. We must, therefore, take appropriate initiatives for proper utilization of foreign aid. Above all we need a new approach to aid by our development partners. We need not only more aid but also better aid.

24. I am placing first the revised budget for the year 1995-96. The former government prepared the original budget for 1995-96 and it was revised by the caretaker government with the approval of the President. I would like to thank the caretaker government for taking necessary measures for ensuring constitutional continuity. However, the present government had no direct role in formulation of the revised budget. It appears that the original allocation for the revenue budget was Tk. 11,070 crore. This estimate in the revised budget was raised by Tk. 744 crore (6.7 percent) and the revised estimate for revenue budget stood at Tk. 11,814 crore. Revised revenue expenditure increased owing to increase on interest payments for domestic and foreign loans, defence, election, and post flood rehabilitation projects. Because of the increase in revenue budget and specially fall (16 percent) in the estimated receipts of foreign aid, total size of ADP was reduced from Tk. 12,100 crore to Tk. 10,447 crore.

25. On the basis of existing taxes, total receipts have been estimated at Tk. 17,120 crore in the budget for 1996-97. This is 10.3 percent higher than the estimated receipt in the revised budget for the year 1995-96. The size of revenue budget for FY 1996-97 is proposed to be fixed at Tk. 12,103 crore. The proposed revenue budget is 9.3 percent higher than the original revenue budget for the FY 1995-96 and 2.4 percent higher than the revised budget. In the proposed budget, revenue surplus is estimated at Tk. 5,017 crore. The Annual Development Programme (ADP) for the year 1996-97 is estimated at Tk 12,500 crore. The original estimate for the ADP in 1995-96 was Tk. 12,100 crore and this was reduced to Tk. 10,447 crore because of resource constraints, 47 percent of the ADP in FY 1996-97 is proposed to be financed from internal sources. The share of domestic contribution was 40.3 percent in last year's original budget. However, the increase of domestic contribution in the ADP is not an unmixed blessing in the present socio-economic perspective of Bangladesh. We still need foreign aid to accelerate economic development

Mr. Speaker,

26. I would like to discuss the highlights of public food distribution system before outlining the allocations for various sectors. The main goal of public food distribution system is to ensure food security. In the current fiscal year, 17.6 lakh metric tons of foodgrains will be procured from both foreign and domestic sources at a cost of Tk. 2,172 crore. Throughout the year adequate stocks will be maintained for food security. However, the increase in import of foodgrains from outside has on the one hand exerted pressure on the foreign exchange reserve, on the other hand has reduced resources for development budget. We would, therefore, like to increase food production in tandem with the strengthening of food security system.

27. From the economic and social point of view, agriculture is the most important sector in Bangladesh economy. About 75 percent of people in Bangladesh are directly and indirectly dependent on agriculture for their livelihood. Because of wrong agricultural policies pursued during last five years, agriculture sector's share

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in the ADP is decreasing. In 1990-91, the share of agriculture sector in the ADP was 6.94 percent. It fell to 5.71 percent in the original budget for 1995-96 and was further reduced to 5.34 percent in the revised ADP. This shortsighted policy has contributed to deceleration of growth in agriculture. As a result, standard of life of small and marginal farmers is declining and the country is becoming increasingly dependent on food imports. The present government has, therefore, decided to increase the allocation for agriculture sector. Total allocation for agriculture sector in the revised ADP of 1995-9 was Tk. 558.54 crore. It is proposed to raise this allocation to Tk. 748 crore—an increase of 34 percent. As a result, the share of agriculture sector will increase from 5.34 percent to 6 percent. The share of agriculture sector in the ADP will be increased gradually.

Mr. Speaker,

28. With a view to accelerating development in the agriculture sector, it has been proposed to set apart an agricultural subsidy fund of Tk. 100 crore in the ADP. Allocations will be provided to the participating banks from this fund for subsidizing 80 percent of interest cost on the credit for purchase of irrigation equipment and other agricultural machinery. This will reduce the investment cost on irrigation equipment and farm machinery. Allocations will also be made from this fund for the rehabilitation of the farmers who are affected by natural calamities. Furthermore, proposals for sanction of grants for stabilizing output and input prices may also be considered. In order to encourage the efficient use of irrigation equipment through command area development, the possibility of providing grants for fuel and infrastructure in such projects will also be examined. Grants for the fuel cost of irrigation in drought affected areas will be considered. The main purpose of this subsidy is to raise agricultural productivity. Every year new programmes will be drawn up considering the realities of agriculture and no project will be undertaken on a permanent basis. Some agricultural inputs such as urea fertilizer (which is produced from subsidized gas and sold at below production cost by the BCIC [Bangladesh Chemical Industries Corporation]) receive hidden subsidy. In future all implicit subsidies will be made explicit. It appears that subsidy alone is not the main problem in case of many inputs. The real problem is the non-availability of agricultural inputs in time and at fair price. The distribution system will have to be reformed to ensure the easy availability of agricultural inputs. 29. Fishery and livestock subsectors make important contribution to national economy. These subsectors are also important for employment generation and as sources of protein. The present government will, therefore, make more investment in these subsectors. With this end in view, total allocation for these subsectors in revenue and development budgets has been increased by 8.5 percent and is proposed to be fixed at Tk. 255.77 crore. If necessary, the concerned agencies can undertake new projects from block allocation of Tk. 100 crore earmarked for poverty alleviation.

Mr. Speaker,

30. With a view to reducing dependence of agriculture on nature, artificial irrigation and flood control structures will have to be expanded. In the revenue budget a sum of Tk. 164 crore has been earmarked for Bangladesh Water Development Board. An additional allocation of Tk. 20 crore is proposed to be provided from the unallocated fund in the revenue budget for immediate maintenance of infrastructures. In the revised development budget for 1995-96, total allocation for water sector was Tk. 747 crore. In the development budget for 1996 97, allocation for this sector has been increased to Tk. 1,021 crore — an increase of 36 percent. We will also take initiative on the basis of neighbourly friendliness and cooperation for solving the problems of sharing the water of the Ganges and other international rivers. We hope that an acceptable solution is feasible on the basis of principles enunciated in the temporary agreement in 1974 which was approved by Bangabandhu.

31. In the industrial sector the main responsibility of the government is to create an investment-friendly environment. With a view to accelerating development, the existing rules and restrictions in industrial sector will be re-examined on an urgent basis. The newly elected government has already decided to establish a permanent Law Commission, which will examine all existing laws on investment and submit recommendations to the government. The main objective of industrial development is generation of employment and increase in production and exports. Necessary incentives will be provided to individual initiative, investment and private sector. Small producers will be encouraged and special support will be provided to weavers, fishermen, potters and ironsmiths so that they can pursue their traditional professions without any hindrance. An experimental scheme on a limited scale will be undertaken jointly by the Government and the commercial banks for rehabilitation of sick specialised textile and power looms. Future course of action will be determined on the basis of evaluation of this experiment.

Mr. Speaker,

32. The share market plays an important role in mobilizing resources for domestic industry. In the early years of this decade, there was a marked eagerness of domestic and foreign investors to invest in Bangladesh share market. Taking into account the crisis in Mexico in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

wake of withdrawal of foreign investment, the condition for one year's lock-in was imposed in Bangladesh on portfolio investment in 1995. Because of this restriction, foreign portfolio investment has turned out to be negative. The volatility of foreign portfolio investment has been exaggerated. I am happy to announce that after the assumption of office by this government, the Securities and Exchange Commission has decided to abolish the restrictions of lock-in on foreign investors. However the existing ceiling of sale of one-third of initial primary offering to foreign investors will continue in the interest of domestic investors. At the moment there is no quota for non-resident citizens of Bangladesh in the primary shares. The expatriate citizens through remittances of foreign exchange make an important contribution to economic development of Bangladesh. It has been decided to fix a quota of five percent for nonresident citizens of Bangladesh with a view to encouraging their participation in primary public shares.

33. An essential precondition for industrial investment is uninterrupted and regular supply of energy. According to projections of National Energy Policy, demand for power is increasing at the rate of 7.2 percent to 8.7 percent annually. Because of inadequate investment in power sector, deficit of electricity, according to one estimate, is growing at the rate of 14 percent annually. During the last decade, system loss in the power sector was not significantly reduced because of administrative failure. Annual loss on account of system loss in power sector is estimated at Tk. 800 crore. The reduction of system loss can provide adequate resources for generation, transmission and distribution in the power sector. New investments are also needed in exploration and extraction of natural gas to ensure uninterrupted supply of energy. Unfortunately, in the past many adhoc decisions were made in the power sector. Measures were not taken in a planned manner on the basis of clear and comprehensive policies. The present government will pursue a three-fold policy in this sector. First, allocation for this sector will be gradually increased. Secondly, system losses will be reduced by establishing effective control in this sector. Finally, private investment will be encouraged in view of the investment needs of this sector. Necessary administrative and financial reforms will be made to attract foreign investment. With a view to providing electricity throughout the country in next ten years, the government will take all possible measures to harness natural gas, solar energy, atomic energy and hydroelectric resources.

Mr. Speaker,

34. The development of transportation system not only accelerates economic growth but also contributes to poverty alleviation. It has been proposed to allocate Tk. 2,440 crore for transport sector in the ADP for 1996-97. This sector received the highest share (19.5 percent) in the current year's ADP, 43.4 percent of this allocation is earmarked for the construction of Jamuna bridge—the national dream.

In this connection, I would like to recall the seminal contribution of the Father of the Nation. The need for this bridge was identified under his personal initiative immediately in the wake of independence and preliminary steps were also taken. After two long decades, the work on the construction of the bridge is now progressing with the assistance of development partners. This Government will take all possible measures for the quickest implementation of the project. Furthermore, phased programme will be undertaken for expansion and modernization of transportation system including railways and roads. All unions [village] will be linked to Thana [subdistrict] headquarters which in turn will be linked to district headquarters. Measures have also been taken for the expansion of telephone system. The T&T [Telegraph and Telephone] Board is being encouraged to mobilize additional resources through sale of bonds in addition to allocations made by the Government.

35. Significant allocations are also made for the construction of physical infrastructure in rural areas from the rural development sector. An allocation of Tk. 974.63 crore has been proposed for this sector in the ADP whereas the corresponding allocation in last year's ADP was Tk. 742.5 crore. The allocation for supply of drinking water and sanitation facilities in rural areas is proposed to be raised to Tk 280 crore. Proposals for allocating Tk. 200 crore for Thana and union parishads [village councils], Tk. 120 crore for four city corporations, Tk. 150 crore for other municipalities and Tk. 31 crore for development of Chittagong Hill Tracts have been included in the ADP.

Mr. Speaker,

36. The greatest asset of Bangladesh is its diligent and painstaking people. Investment in human resources in Bangladesh is economically profitable and socially beneficial. A sum of Tk. 3,952 crore is proposed to be allocated for education sector in the revenue and development budgets for FY 1996-97 as against the revised allocation of Tk. 3,522 crore for FY 1995-96. This represents an additional allocation of Tk. 430 crore. The Government is determined to rid the nation of the curse of illiteracy within a decade. However, increased allocation is not a sufficient guarantee for development of education. A national movement involving people of all spheres of life will have to be launched to eradicate illiteracy. The entire education system will be reformed in the light of the recommendations of Dr. Qudrat-e-Khuda

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Commission. Measures have already been taken for the correction of textbooks. Steps will be taken to improve not only physical infrastructure but also the quality of education. The NGOs will work hand in hand with the government in eradication of illiteracy. The present government will encourage and support NGO initiatives in this sector. Measures will also be taken for using radio and TV for expansion of education and mass education. Food for Education programme to encourage enrollment of children, to increase attendance rate and to reduce dropout rate will continue. However, suitable changes in the programme will be made in future on the basis of the evaluation of the programme. Unfortunately, terrorism has polluted the sacred environment of educational institutions. Terrorism will have to be eliminated from educational institutions in national interest. We want cooperation of the opposition in this respect and we want to initiate definite programme on the basis of national consensus.

37. Health for all is one of the basic objectives of this government. Bangabandhu's government took an initiative for setting up heath complex in each union and modern hospital in each Thana. This programme could not be completed in last two decades. Allocations for health and family welfare sectors have been increased. Total allocation for these sectors in the revenue and development budgets for the year 1995-96 was Tk 1,611 crore. This allocation is proposed to be raised to Tk. 1,740 crore (8 percent) in 1996-97. Family Planning and Primary Health Care will receive special attention. Immediately after liberation Bangabandhu appreciated the urgency of family planing. We would, therefore, like to intensify family planning programmes.

Mr. Speaker,

38. This democratic government is indissolubly linked to the soil and people of this country. The protection of the environment is therefore, a sacred duty of the government. Effective measures will be taken for the implementation of the long term plan for national environment management. Poverty and environment pollution has created a vicious cycle. Environment is polluted by poverty and environmental degradation in turn compounds poverty. In some cases externalities of projects of neighbouring countries have harmful effects in our country. We would take measures for the protection of environment both at national and international levels.

39. At the centre of all activities of this government are people. Poverty alleviation is our main goal. Allocations totalling Tk. 4,763 crore in agriculture, rural development, flood control, primary education, rural electrification and health and family welfare will contribute directly to alleviation of poverty in rural areas. However, economic development is not by itself sufficient for eradication of poverty. Measures will have to be taken for the transfer of resources to the ultrapoor. I propose to allocate Tk. 1,070 crore outside the ADP for food assistance to the needy. This allocation will be used to provide 9.15 lakh metric tons of foodgrains to the poor through Food for Works, Vulnerable Group Development, gratuitous relief, and test relief programme. Furthermore, projects have been undertaken with the assistance of UNICEF and IDA [International Development Association] to provide nutrition to malnourished.

The provision of food, change in food habit, reduction of malnutrition of mothers and children are the main objectives of these projects. In the initial stage of these projects, a sum of Tk. 13.17 crore has been allocated for the FY 1996-97. In addition to these projects, a block allocation of Tk. 100 crore has been made for new poverty alleviation projects in FY 1996-97.

Mr. Speaker,

40. Article 20 of the Constitution of the People's Republic of Bangladesh lays down that work is a right, a duty and a matter of honour for each citizen who is capable of working. The generation of employment is, therefore, a sacred responsibility of the Government. It is not possible, however, to create new jobs in the government sector. It is, therefore, essential to increase rapidly the opportunities for self-employment. Bangladesh has played a leading role in generating self-employment through micro credit. Experience suggests that micro credit contributes to flowering of the creativity of the poor and to alleviation of poverty. Palli Karma Sahayak Foundation (PKSF) has already been set up to provide finance for micro credit. The Government has already provided Tk. 135 crore to the Foundation as capital. In 1996, the World Bank has signed an agreement to provide Tk. 441 crore to the PKSF. It is, therefore, expected that the activities of this foundation will be significantly expanded in the current year. It is also expected that the NGOs, with external assistance received with the approval of the government, will invest about Tk. 1,000 crore in poverty alleviation projects.

41. A number of government departments and agencies such as youth department, social welfare department, department of women's affairs, Bangladesh Rural Development Board and Bangladesh Small and Cottage Industries Corporation has launched micro credit projects. Funds provided by the government are being used as revolving fund. We have received proposals for expansion of these programmes. There is as yet no central agency to enforce financial discipline in these programmes. As these departments and agencies do not follow the set

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

procedures of PKSF, it is not possible to bring these programmes under the umbrella of PKSF immediately. Measures will be taken to supervise the government loans provided for micro credit. With a view to expanding micro credit in the government sector, it is proposed to allocate Tk. 100 crore from revenue and development budget as the capital for the proposed supervising organization.

42. The comprehensive development of women and children is one of the priorities of the government. We are pledge-bound to take effective measures to prevent oppression of the women and to remove social disparity. The revenue and development budget allocation for programmes of the women and children are proposed to be increased by 15 percent and raised to Tk. 52 crore. In conjunction with government activities, we will support the initiatives of the NGOs. Taking into account the tremendous potentialities of the youth, total allocation for youth development in revenue and development budget is proposed to be raised from Tk. 83 crore to Tk. 150 crore.

43. As the embodiment of the spirit of liberation war and the forerunner of the democratic movement, Bangladesh Awami League had always been intimately associated with all progressive cultural movements. One of the main objectives of this government is the spread and development of our own culture. Total allocation for sports and culture in the revised ADP of 1995-96 was Tk. 12.44 crore. I propose to raise this allocation to Tk. 31.28 crore for the FY 1996-97.

Mr. Speaker,

44. The inadequacy of resources is obviously a major economic problem in Bangladesh. However, the economists consider wastage of resources as a serious obstacle to development. The culture of wastage was nourished in the backdrop of bad governance. Many development efforts turned into exercises in futility in the quicksands of corruption and rent-seeking. In the past, terrorism paralysed law and order administration. Authority was gradually centralized. Upazila [subdistrict] parishads were abolished. Elections to district councils were deferred. The authority of lower levels of the Government was usurped by the higher level. In this administration, people had no effective participation in development activities. Programmes undertaken by the Government did not, therefore, yield desired results. We are confident that the same amount of resources will yield higher growth rate in the environment of democratic good governance.

45. Thomas Jefferson, one of the leaders of American War of Independence, used to say that governments degenerate when power is concentrated in the hands of one, few or the elites. The antidote to this degeneration is ensuring the participation of each citizen in the activities of the state. Bangabandhu, the Father of the Nation, used to dream of this type of decentralization. The present government will take effective measures for decentralization of authority in the quickest possible time. In the near future, more authority will be delegated to local government. The necessary power and authority at union, upazila and zila [district] levels will be handed over to elected representatives. We will ensure accountability, responsibility and efficiency of the central government. We are pledge-bound to accelerate economic development through good governance. We hope that public servants will come forward voluntarily to discharge their responsibilities. Taking into account the problems of the employees and officers covered by national pay scale, the Government has already decided in principle to set up a Pay Commission. Necessary steps will be taken shortly.

Mr. Speaker,

46. Bangladesh will enter the 21st century under the stewardship of the present government. The twenty first century will not be a mere new page in the calendar. The beginning of the new century will witness revolutionary economic, scientific and technological changes. A new global economic order is gradually unfolding. By overcoming geographical distance, information highway is linking all nations in an indissoluble bond. Globalization has opened a window of opportunity for resource-poor countries like Bangladesh. We must avail of this opportunity. But this cannot be accomplished by government alone. The creative entrepreneurs will have to be linked to the process. NGOs and people's organizations will have to come forward. Together we will have to build Bangabandhu's Sonar Bangla [golden Bangladesh]. We will have to move in unison with the rest of the world. We must not be a prisoner of old ideas. We will remain steadfast in our goal for alleviation of poverty in the shortest possible time. However, we will change our strategy with the transformation of the global economic system. We will always remember the warning of the great statesman John F. Kennedy, "Change is the law of life, and those who look only to the past are certain to miss the future".

47. In today's world, we are witnessing a transition from the capitalist society to a knowledge society. [sentence as published] In this new society capital, natural resource or labour is not the main determinant of economic growth. In the competitive world, only those will survive who can come forward with new ideas and initiatives. History suggests that the Bengalis reached the pinnacle of wealth in the past. We are confident that there will be a rebirth of the creativity of the people

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of Bangladesh under the leadership of this government which was elected by the people through a democratic process. We are, therefore, optimistic about the future of Bangladesh.

SECOND PART

FISCAL MEASURES

Honorable Speaker,

1. In the first part of my budget speech, I have highlighted the political philosophy and socio-economic priorities and strategies of the present government before this august Parliament. At the beginning of the second part of my speech, I wish to reiterate that alleviation of poverty, establishment of social justice and overall improvement in the standard of living of the common people are the topmost priorities of the present government. In this context, our main objectives are to infuse dynamism in the stagnant agricultural sector, enhance the growth of export industries and increase exports, develop domestic industries and achieve high economic growth through increasing productivity and creating opportunities for employment. There is no alternative to mobilization of adequate domestic resources for achieving high growth rate and maintaining macro economic stability. Having relied so heavily on external resources, it turned out that the growth rate achieved by us is not at all sufficient for overall economic development and poverty alleviation. In the meantime, the prospects for mobilizing external assistance are declining while the conditionalities of assistance are becoming increasingly difficult owing to changing global scenario. Side by side, the burden of external debt is also increasing rapidly. Above all, no self respecting nation can afford to rely solely on external assistance for economic development. We, therefore, have to make every effort in order to establish a self reliant economy by reducing our dependence on external assistance. We have to assume the full responsibility of building up our future by mobilizing the required amount of domestic resources.

Honorable Speaker,

2. The resources mobilized domestically in our country is inadequate compared with the requirement. A major part of this comes from the taxes. At present, the tax-GDP ratio in Bangladesh is 9.5 percent which is even lower than that of the other countries at similar stage of development. Like many developing countries of the world, a big portion of domestic investment comes from the public sector. Although the importance of the private sector in economic activities has increased significantly in recent time, the government still has a pivotal role to play in providing an enabling environment for investment through the building up [of] required natural, social and physical infra-structures. Mobilization of huge domestic resources is essential for human resources development, productivity increase, creation of employment opportunities and alleviation of poverty. Resources are also needed for boosting the agricultural sector. The necessity for mobilizing a larger amount of resources is being more keenly felt in view of the urgency to give our shattered economy a strong foundation for bringing welfare to our common people. Keeping these considerations in view, the revenue target for 1996-97 of the National Board of Revenue has been fixed at Taka 13040 crore which is Taka 1740 crore higher than the target of the last year. The increase in this target is more than double the increase in the target of the previous year. Development programmes will suffer, economy will not gain momentum and our programmes for the alleviation of poverty will not materialize if the enhanced resources are not mobilized.

Mr. Speaker,

There may be apprehensions that the government will impose new taxes for generating this excess amount of revenue. But I would like to gladly inform this august Parliament that, in reality, although the revenue target been increased, we neither propose to impose any new taxes nor do we intend to increase the rates thereof. On the contrary, in many cases we have proposed reductions in duties and taxes. Although, the duty rates for a few items have been proposed to be increased for the sake of protecting appropriate domestic industries, the revenue implication of this measure is insignificant. We have made efforts to increase revenue through rationalizing tax laws and structures, improving tax management and bringing dynamism in tax administration. In short, increase in efficiency of collection, simplification of payment procedure, reduction of discretionary power and closing the routes for evasion of taxes will constitute the main instruments for generating more revenue. Procedural improvement including the identification of new taxpayers will lead to increase in the collection of income taxes. At the same time, the collection of Value Added Tax [VAT] will also increase as a result of some expansion in the tax base. The creation of favourable environment through procedural simplification will vitalize trade and industry. In general, national income will increase due to the acceleration and expansion of economic activities. Thus, we hope that it will be possible to achieve the revenue target through increase in tax buoyancy.

4. Besides making the tax system truly effective for increasing resource mobilization it is essential to make it conducive for employment generation, investment and productivity growth. With these ends in view, efforts have been made in this budget to incorporate

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

appropriate tax and tariff incentives for the development of agriculture, export and domestic industries as well as other priority sectors of the economy. At the same time, care has been taken to ensure that resources are not diverted to unproductive sectors unnecessarily as a result of undesirable fiscal incentives. While preparing the budget, care has also been taken to ensure that no additional burden is imposed on low income people as a result of price increases.

Mr. Speaker,

5. Transparency and accountability in tax administration will be brought about to enlist cooperation of the taxpayers in collecting taxes, gain their confidence and remove confusions in matters of tax payment. At the same time, tax education and publicity programmes will be strengthened. To this end, a "Tax Advisory Centre" has already been set up. It bears reminding that payment of taxes is an extremely noble task. An honest man is also an honest tax payer. It is also necessary to extend proper respect to the tax payer in the society. It is also necessary to give recognition of his contributions to the development of the country. Above all, the tax payer has to be made conscious of his legitimate rights and duties. He has to be encouraged to pay taxes spontaneously. At the same time, public opinion has to be mobilized to enable the tax collecting agencies to duly perform their lawful responsibilities

Mr. Speaker,

6. Our government is committed to a free market economy and is determined to follow policies favourable for the promotion of exports. To this end, we plan to accelerate the pace of the on-going trade liberalization. It has been observed from the experience of different countries that high tariffs and quantitative restrictions on imports are impediments to overall economic development. This only leads to setting up industries which are inefficient and incapable of competing in the international market. The interests of the general consumers are compromised because of the production of lower quality goods. Exports are also discouraged as a result of the high tariffs.

7. A global consensus has emerged on the merits of a liberalized trading system. The Uruguay Round Agreement concluded in the beginning of the last year bears testimony to this. In pursuance of this agreement all the contracting parties will have to bring down their import tariffs steadily. As such, instead of shielding the domestic industries under the cover of high tariff walls, they will have to enhance their efficiency by increasing productivity and by adopting new technologies. I would also like to state emphatically that the present government will ensure the legitimate protection of industries [with] promising potentials based on rigorous economic considerations. Our overall duty rates will have to be gradually lowered to keep pace with the tide of international trade, while safeguarding the legitimate interests of our domestic industry. Some people might legitimately think that we moved too fast in the past towards this goal. Many people also think that if we had adopted a more carefully planned three to five year customs duty reduction programme, it would have been possible for many of our domestic industries to successfully face competition. In view of the prevailing reality, we have to take all out preparations right from this moment to face a competitive international trading environment in the near future. The gradual reduction of duty rates will therefore continue having regard to our socioeconomic realities so that we are not caught unprepared at the time of the full implementation of the Uruguay Round Agreement.

8. Although imports will grow as a result of the gradual reduction of duty rates, overall, importance of import duties as a source of revenue will decline in future. Therefore, collection of income tax and VAT will have to be increased significantly in order to generate the required revenue.

Mr. Speaker,

9. At the preparatory stage of the budget, recommendations received from different ministries, Bangladesh Tariff Commission and other agencies were duly considered. In order to make the budget people-oriented and to bring transparency in it, we have exchanged views with different chambers of commerce and industries and professional bodies. Their suggestions have received due consideration. Suggestions which had positive developmental implications have been accepted in spite of potential revenue losses. Steps have been taken to incorporate suggestions on which there was consensus. Suggestions on which there was serious disagreement could not, however, be incorporated. In some cases, there was demand for drastic reduction of duties and taxes. Some of these could not be implemented because of the compulsion to raise a target amount of revenue and the absence of any alternative source. In this connection we need to remember that, if there is a deficit in resources, macro economic instability may appear, much to our chagrin. At the time of budget preparation, I had discussions with my colleagues, professionals, economists, journalists, leaders of NGOs and representatives of donor agencies on the economic imperatives and development priorities of the country. I have tried my best to incorporate their valuable suggestions into the budget. In a way, the tax proposals of this budget and the efforts at procedural simplification could well be considered as the outcome of our collective thinking.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mr. Speaker,

10. I would now place before this august Parliament the important tax proposals for the fiscal year 1996-97.

DIRECT TAX

Income Tax

Mr. Speaker,

11. Of all the direct taxes, income tax ranks foremost. Income tax is not only an important source of revenue, it also plays a crucial role in ensuring social and economic justice. To make the system more realistic and rational, we have proposed some changes in the existing income tax system. I will now discuss the salient features of the income tax related proposals.

Mr. Speaker,

12. At present, publicly traded companies and non-publicly traded companies are taxed at the rate of 35 and 40 percent, respectively, while the banks, insurance companies, financial institutions and non-resident companies are taxed at the rate of 47.50 percent. The taxation rate for the last category of companies is unduly high; this is discouraging both domestic and foreign investment. However, it cannot be denied that a substantial portion of income tax revenue comes from the corporate bodies. To rationalize the tax structure of different categories of companies and to encourage foreign investment in our development activities, we propose to reduce the tax rate of banks, insurance companies, financial institutions and non-resident companies from 47.50 percent to 45 percent. This will result in a revenue loss of Taka 17 crore approximately.

13. The present tax exemption limit for Individual income is Taka 55,000 in a year. We propose to raise this limit to Taka 60,000 a year. This will give complete tax exemption to the lower income group people who currently pay a nominal amount of tax. At present, persons with income over Taka one lakh a year are required by the law to file statement of assets and liabilities with their returns. This limit of Taka one lakh was fixed in 1991. Considering the rate of inflation and to simplify the tax payment system, we propose to increase this limit to Taka two lakh. In other words, individual tax payers will not be required to file statement of assets and liabilities along with their returns in 1996-97 assessment year, if their total annual income does not exceed Taka two lakh. In order to eliminate tax phobia and harassment, tax return form for the small income group has been drastically simplified. The size of the new form will be of one page only. The tax return forms for other tax payers have also been made systematic and simple. We believe that these measures will encourage tax payers to file their returns autonomously in time. [sentence as published]

14. The existing income tax law provides that if a tax payer files the return showing minimum 10 percent higher income over that of the preceding year and pays the tax due to him, his return will be accepted by the tax authority without any question. There is, however, a condition that increase in wealth will not exceed the increase in income. This condition has created some complications and tax payers do not feel inclined to file their returns under this simplified procedure. To avoid complications and to encourage the tax payers in fifing their returns smoothly under the simplified procedure, we propose to withdraw the above condition.

Mr. Speaker,

15. Besides mobilizing more internal resources, two major goals of the present government are attracting more foreign investment and expanding export. Collection of tax at source on export is creating an adverse impact on the working capital of the exporters. To remove this difficulty and to encourage export, we propose to reduce the deduction of tax at source on export from the existing 0.50 percent to 0.25 percent.

16. Under the existing law, capital gain on sale of share listed with Stock Exchange is entirely exempt from tax while such gain on sale of bonus share is not. This is discouraging foreign investors. To encourage more foreign investment, we propose that henceforth capital gain on sale of bonus share will also remain exempt from tax.

17. There is no exemption limit specifically for agricultural income other than general exemption limit of Taka 55,000 a year. To support the farmers, it is proposed that Taka 40,000 from the income of persons whose only source of income is agriculture, will be tax-exempt. In effect, therefore, farmers depending on agricultural income only, will get an initial exemption of Taka 40,000 and a further exemption limit of Taka 60,000, as we have proposed earlier. For him the total exemption is Taka one lakh a year.

Mr. Speaker,

18. Under the present law, a tax payer at the time of appeal to the Appellate Tribunal, is required to pay 50 percent of the difference determined on the basis of the order of the first appeal and the tax payable on the basis of the return. Considering that payment of this amount of tax, in many cases, creates hardship for the tax payers, I propose to reduce the amount of tax payable from 50 percent to 40 percent to mitigate their hardship.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

19. According to the present law, in determining the income of the banks, a sum equal to 5 percent of the total outstanding loan including interest thereon or the amount of actual provision for bad and doubtful debt and interest thereon, whichever is less, is allowed as business expenditure, provided such loans are classified by the Bangladesh Bank. At the same time, the amount of interest which is not brought in the profit and loss account and kept in the suspense account by the banks considering their remote chance of realization, is added to the disclosed income of the banks. Taxing such interest has resulted in heavy financial burden for many banks. Considering it unfair to tax an income which the banks do not get and which is hardly realizable, we propose that henceforth, only such interest which the banks show in their profit and loss accounts will be taxed. However, interest kept in suspense account and realized in a subsequent year, will be taxed in that year as per law.

20. According to the existing rules, government, semi-government, autonomous bodies and NGOs are required to deduct tax at source from house rent above Taka 7500 per month payable to the land lords. This limit was fixed in 1992. Considering the inflation, we propose to increase this limit to Taka 10,000. In addition, it is proposed that flats, received from the land development and construction companies in return of land, will be considered as investment. Under the existing law, there is a provision to collect tax at source at the rate of 3 percent of the sale value of goods and properties sold in public auctions. To broaden the base of withholding tax, we propose that the laws and rules relating to public auction will also be applied to goods and properties sold through sealed tenders.

21. At present, there is provision for tax holiday to manufacturing industries, tourism industries and organizations providing infrastructure facilities. But there is no provision to allot tax holiday to any expansion units of such organizations which are not enjoying tax holiday. To remove this discrimination and considering the greater interest of industrialization, we propose that tax holiday be extended to the expansion units of all such organizations.

22. According to existing law, only the serving Commissioners of Taxes, chartered accountants and cost and management accountants are eligible for appointment to the post of accountant member of the Taxes Appellate Tribunal. In practice, this creates difficulties in the appointment of members. In order to make the Taxes Appellate Tribunal effective, it is necessary to appoint experienced and skilled officials. With this end in view and to simplify the process of appointment and posting of members it is proposed that henceforth retired members of the National Board of Revenue or the retired Commissioners of Taxes will also be eligible for appointment to this post. At present, only the judicial members of the Tribunal are eligible for the position of President of the Tribunal. It often happens that due to this provision of law, persons junior to the accountant members are appointed as the President of the Taxes Appellate Tribunal. To remove this anomaly, we propose to introduce the provision for appointment of any member as the President of the Tribunal.

23. Currently, there is a provision to send to the assessee the assessment orders which have been assessed under the section 83 or where assessments have been revised on the basis of orders of the appellate authorities within fixed time limit. There is, however, no fixed time limit for sending assessment orders assessed under other provisions of law. To avoid unnecessary delay in sending assessment orders done under other provisions and to introduce time limit, it is proposed to make necessary amendments in the relevant rules.

24. Tax payers are required to pay 15 percent of the tax payable or tax payable on the basis of the income shown in the return, whichever is higher, for filing appeal against the orders of the Deputy Tax Commissioners. If they do so, the law provides they will not be treated as assessees in default and no action can be taken against them for collection of taxes. However, there is no provision specifying the time within which such 15 percent of tax is to be paid. This has an adverse effect on the revenue collection. To overcome this, it has been proposed that the tax payers will pay 15 percent of the tax demanded before filing the appeal.

Mr. Speaker,

25. The main objective of the proposed amendments in the income tax law and rules is to ensure mutual trust between the tax payers and tax administration, to create a conducive environment for investment, to widen the tax base and to mobilize more domestic resources at an accelerated pace. I believe that with the liberalization of the income tax law and rules, an environment will be created where the tax payers will themselves come forward to pay their due share to the government without being coerced by the tax administration. Our main thrust, however, will be to increase the ratio of income tax collection to the overall revenue and we will continuously endeavor to improve the existing tax situation.

Gift Tax

Mr. Speaker,

26. To avoid misinterpretation and to define donee organizations in such a manner that it would obviate

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the need to take the approval of the National Board of Revenue, we propose to amend the relevant clause of the Gift Tax Act of 1990. As a result, payment of tax sill be made easier and scope for tax evasion will be minimized.

INDIRECT TAXES

Import Duty

Mr. Speaker,

27. In order to make the customs administration more effective and dynamic, certain changes in the Customs Act are being proposed. For increasing the efficiency of customs officials, I propose an amendment in the Customs Act thereby requiring the officials of Income Tax, Value Added Tax, Scheduled Banks and the Department of Narcotics Control to assist customs officials in their performance of duty. At present, there is a provision for appealing to the National Board of Revenue against the certificates issued by the Preshipment Inspection Agencies (PSI). On the other hand, all other activities relating to appeal cases are dealt with by the Appellate Tribunal. Under the circumstances, for speedy and neutral disposal of the PSI related appeal cases, necessary amendment in the Customs Act has been proposed for transferring these cases to the Appellate Tribunal.

28. At present the PSI system is mandatory in case of imports through all Land Customs Stations other than Benapol and Tamabil [border check posts with India]. To extend this facility to the northern part of the country, I propose to withdraw the requirement of mandatory PSI in case of Hili (Dinajpur) and Sona Masjid (Rajshahi).

Mr. Speaker,

29. I will now present the salient features of the proposals relating to customs duty. In keeping with the global trade liberalization, the highest rate of customs duty is proposed to be reduced from 50 percent to 45 percent. This will cause a revenue loss of Taka 22 crore. But, while giving protection to goods produced in large quantities domestically, supplementary duties equal to and in only a limited number of cases more than the amount of reduction have been proposed in case of goods on which higher duties were imposed because of religious and social reasons and also because some of these are luxury goods.

30. Because of the neglect and indifference shown in the past few years, stagnation has marked the agricultural sector. Since one-third of the national income is accounted for by agriculture, overall economic development of the country is not possible without progress in the agricultural sector. In our election manifesto, agriculture is one of the top priority sectors. Therefore, in order to revitalize this sector, I propose to reduce the duties on certain inputs used in this sector. Thus to facilitate supply of seed and fertilizer to the farmers at fair prices, I propose to reduce the duties on seed potatoes and gypsum anhydrite fertilizer from 7.5 percent to 2.5 percent. For increasing productivity in agriculture, I propose to reduce the duties on tractor, tractor tyres, tractor parts, fibre glass strainers/filters used in deep tubewells and tractor flaps respectively, from 7.5, 22.5, 15, 30, and 45 percent to 2.5 percent. Besides, I also propose to reduce the duty rates of certain other agricultural equipment from 22.5 and 15 percent to 2.5 percent. For increasing the supply of cattle and for the development of livestock, I propose to reduce the import duty on live bovine animals from 7.5 percent to 2.5 percent. For encouraging hatching industry in Bangladesh, I propose to reduce the duty on hatching eggs from 45 percent to 15 percent. This is expected to lead to an increase in the production of poultry in the country. For strengthening agriculture by creating forward linkages, I propose to reduce the duties on tin cans and jars/bottles used in the agro-processing industry from 45 to 30 percent and 30 percent to 22.5 percent respectively. In addition, I propose to withdraw completely the 25 percent supplementary duty on flavour and essence used in this sector. The proposed support to the agriculture sector will cause a revenue loss of Taka 10 crore.

Mr. Speaker,

31. Leather is a promising industrial sector in our country. Development of this labour-intensive sector will lead, on the one hand, to increase in employment and on the other hand, to manifold increase in the export of leather products. Therefore, to increase exports and employment, I propose to reduce import duties on raw hides and wet blue leather from 7.5 percent to 2.5 percent. For encouraging the export of frozen fish and vegetables, I propose to reduce the duty on refer [word as published] vans used in carrying these export items from 7.5 percent to 2.5 percent. For strengthening poverty alleviation programmes, I propose to withdraw completely the supplementary duty on all sorts of old clothing.

Mr. Speaker,

32. An important commitment of the present government in the election manifesto was the development of domestic industries. Textile sector is one of the major industrial sectors of the country. Lakhs of families depend on this sector. To encourage the flourishing textile sector, I propose to reduce the duties on raw materials like, man-made yarn and synthetic yarn used in this sector from 30 and 22.5 percent respectively to 15 percent

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and also that on synthetic fibres from 7.5 percent to 2.5 percent. At present, the duty on different types of boilers used in industries including the textile industry is 15 percent. Different chambers of commerce and industries have represented for the reduction of the duty on boiler to 7.5 percent. In view of this, I propose to reduce the duty on vapour generating boiler from 15 percent to 7.5 percent. On the basis of the recommendations of Bangladesh Tariff Commission and different chambers of commerce and industries, I propose to reduce the duties on quartz and unwrought lead used as raw materials in domestic industries from 15 percent to 7.5 percent and that of crude marbles and CKD [completely knocked down] Pickups from 30 percent to 15 percent. However, based on the recommendations of Bangladesh Tariff Commission for protecting the legitimate interests of the domestic industries, I propose to increase the duties on Hack-Saw blades and Master batch colour from 30 and 15 percent to 45 and 30 percent respectively and impose 30 percent supplementary duty at the import stage on paper backed aluminum foil.

Mr. Speaker,

33. For encouraging the use of alternative energies including solar energy, the Ministry of Energy and Mineral Resources, Grameen Bank and different private sector organizations have suggested for reduction of duties on machinery and parts used in the generation of electricity based on alternative sources of energy. In view of this, I propose to reduce the duties on photovoltaic generators, parts of photovoltaic generators, photovoltaic cells, wind turbines and parts of wind turbines respectively from 30, 7.5, 7.5, 22.5 and 30 percent to 2.5 percent.

34. Vinyl chloride monomer (VCM) is the main raw material for the production of PVC [polyvinyl chloride] resin. Both Bangladesh Tariff Commission and Board of Investment have recommended for the reduction of its duty to zero percent. I propose to reduce the duty on VCM to 2.5 percent. At present, the duty on hot rolled coil is 15 percent. It is the main raw material for the production of BP/MS [expansion unknown] sheet. The level of protection of domestic industries is very low as the duty on BP/MS sheet is also 15 percent. Because of this, Bangladesh Tariff Commission has recommended for the reduction of the duty on hot rolled coil having thickness ranging between 1.6 mm to 4.5 mm to 7.5 percent. The Board of Investment has also supported the recommendation for encouraging foreign investment in the country. Accordingly, I propose to reduce the duty on hot rolled coil of the aforesaid thickness from 15 percent to 7.5 percent.

35. At present, opportunities for the amusement of children are very limited. The duty on amusement equipment used in children parks is 45 percent. With the expectation of attracting foreign investment, Board of Investment has recommended for the reduction of duty on amusement equipment to 30 percent. In view of this recommendation, I propose to reduce the duty on amusement equipment from 45 percent to 30 percent.

Mr. Speaker,

36. As there is no separate duty rate for CKD electronic items, there is a tendency to divide a CKD consignment into several consignments and take advantage of lower duty rates applicable to parts and components. This leads to disputes and complications in the collection of duties. In order to resolve this problem, I propose to fix the duty on both CKD and parts and components at 30 percent.

Mr. Speaker,

37. Transportation problem is very acute in the big cities of the country including the capital city. To address this problem, it is essential to heavily invest by both the public and the private sectors in big-size vehicles. With a view to reducing the transportation problem through encouraging investment in higher-capacity vehicles, I propose to reduce the duty on completely built up Double Decker buses from 30 percent to 2.5 percent.

38. The use of cash register machines will be encouraged to establish the Value Added Tax system on a firm basis. This will facilitate the maintenance of correct records of sales. Increase in the use of this machine will modernize the marketing system and lead to a large scale increase in the collection of Value Added Tax. Therefore, I propose to reduce the duty on cash register machine including the note counting machine from 15 to 2.5 percent.

39. The rates of customs duty are being reduced gradually as a part of the on-going tax reform programme. This situation may lead to a shortfall in resources if alternative sources of revenue are not identified. Therefore, I propose to increase the duty on ocean going vessels having capacity above 3000 DWT [Deadweight Tonnes] usually imported by the more fortunate and affluent businessmen of the society from zero percent to 2.5 percent.

Value Added Tax

Honourable Speaker,

40. The Value Added Tax system was introduced in Bangladesh in 1991. Though five years have elapsed by now, the system could not achieve any considerable

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

dynamism because of the absence of strong measures and improved management.

The government is expressing its strong political commitment in this year's budget to expand and consolidate the VAT system. Indirect taxes collected from local sources viz excise duty, VAT and supplementary duty now account for almost 26.32 percent of the total revenue collected by the National Board of Revenue. At present, VAT is collected only at the import and production stages. It has not been extended to cover all economic sectors. One of the striking and pro-clientele features of VAT system is its credit mechanism. In order to ensure that trade sector benefits from this system it is essential that the VAT network is expanded, phase by phase, up to wholesale and retail levels. A legal provision for optional VAT registration by the wholesalers and retailers was introduced in FY 1994-95, but until now no such registration is reported to have been taken. If VAT is introduced at all the levels of consumption — import, production, wholesale and retail — then the taxpayers themselves will be able to get credit on the input-taxes, thus reducing the incidence of tax from 15 percent to nearly 4 percent. We will have to move towards this direction.

Mr. Speaker,

41. At present, excise duty is levied on bank deposits. In cases where the balance exceeds Taka five thousand and does not exceed Taka one lakh, the leviable duty is Taka one hundred and twenty, in other cases it is Taka two hundred. The depositors having small deposits now pay more taxes as compared to the depositors having big ones. Nominal amount of taxes is collected in cases where the balance exceeds crores of Taka. With a view to give relief to the small depositors, I propose to withdraw excise duty from the accounts where the balance does not exceed Taka ten thousand and having considered the financial capability, I propose to make the rates of excise duty on bank services progressive.

42. At present excise duty leviable on biri [local cigarettes] is Taka 22 per thousand sticks. The rate was Taka 19.25 in 1993-94. It is proposed to increase the rate to Taka 25 in line with the upward trend of duty on this item. On cigarettes, at present the supplementary duty rates are 35 percent, 50 percent and 53 percent. Keeping the highest rate as it is, the lower rates are proposed to be made progressive, so that government revenue from this sector is increased.

Mr. Speaker,

43. At present, there are twenty nine services on which VAT is leviable. During the last few years there has been a considerable expansion of different services. These have not, however, been brought under VAT network. In the circumstances, I propose to bring such services like that of Shipping Agents, Audit and Accountancy firm, Consultancy and Supervisory firm, Leasing Company under the network of Value Added Tax. Besides, the trading activities of luxury items like motor cars, airconditioners, dish antennas, etc have been proposed to be brought under the purview of VAT.

44. Though there is supplementary duty on alcoholic beer, no such duty is leviable on non-alcoholic beer. I propose to impose supplementary duty on it too, at the stage of importation.

45. A number of qualitative and important changes have been proposed to be brought about in the VAT Law. At present there is no incentive for the use of locally produced capital machinery in the export oriented industries. It is proposed to make necessary provision in the VAT Rules in order to extend facility for the use of locally made capital machinery in the export oriented industries. This measure will encourage export-oriented industry entrepreneurs to use indigenous capital machinery.

46. Timely realization of government revenue is very important. It is, however, observed that in many cases persons and agencies empowered to collect VAT refrain from depositing the amount with the government exchequer, having collected it from the consumers. In order to encounter this tendency effectively, legal provision to take proper punitive measure has been proposed in the Value Added Tax Act.

Mr. Speaker,

47. The success of Value Added Tax depends mainly on a modern tax administration. Since the system is automation oriented, a number of changes have been brought about in the Act and the Rules of the Value Added Tax which will create an atmosphere of cooperation between the tax administration and the tax payers. A provision for displaying very important and highly relevant government orders at the VAT registered premises has been proposed.

48. VAT officials inspect different VAT units but since the inspections are not carried out following predetermined methodology, there is hardly any follow-up action taken. It is proposed to make the inspection procedure systematic and result-oriented. Henceforth, in case of emergency, a VAT unit can be inspected without giving any notice, but the inspecting officer will have to submit an inspection report within 48 hours of the completion of the inspection and for the sake of transparency, a copy of the report will be given to the unit owner within the same time frame. This measure,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

hopefully, will usher in a new culture of exchange of information between the tax collector and the tax payer.

49. At present, each registered tax unit is to submit his return on monthly basis. Because of the uniqueness of business, production of many VAT units is seasonal. In view of this, under the proposed system, in cases of construction firms, export-oriented industries and brick manufacturers, returns can be submitted quarterly. This measure will reduce a lot of paper works both by the tax payers and tax collectors.

Mr. Speaker,

50. It has been proposed that Tax Identification Number (TIN) has to be mentioned in application form for VAT registration and in the VAT registration certificate so that the exchange of information between taxation and VAT departments becomes easier than before and modern communication system is established in the tax administration.

51. In the last year, additional revenue to the tune of Taka 50 crore was collected by means of administrative measures. Measures for administrative improvement and increase in efficiency will be closely pursued in FY 1996-97. These steps are expected to yield a markedly increased revenue for the government from the VAT system.

Court Fee Act

52. Women orphans and the destitutes often face difficulties because of the provision of depositing in-advance of the court fees in case of collecting the succession certificates. To remove this difficulty, arrangement is being made to abolish the system of advance payment of court fees in case of collecting the succession certificates.

Mr. Speaker,

53. I have placed the major tax proposals for FY 1996-97 before the Parliament. Now I would like to state the overall revenue implications of these proposals. Because of the enhancement of the limit of tax exempt income and reduction of corporate taxes as well as the lowering of the rate of deduction at source of income tax in case of exports and also because of other measures, there will be a revenue loss of Taka 77 crore. On the other hand, collection from this head will increase by Taka 32 crore because of the increase in the number of tax payers and procedural simplifications. The net loss will be Taka 45 crore. The overall reduction of customs duty will lead to a net revenue loss of Taka 65 crore from this head. Some expansion of the base of Value Added Tax in case of certain selected domestic businesses and services will cause a gain in revenue of Taka 48 crore. Revenue will increase by Taka 60 crore as a result of adjustments and rationalization of supplementary duty. Besides, revenue will also increase by Taka 9 crore due to the restructuring of excise duty. In all, there will be an increase in revenue of Taka 7 crore because of the different tax measures. Taking into account the growth in national income, normal inflation rate and the growth of import and assuming no increase in taxes, it is estimated that revenue collection in FY 1996-97 will increase by Taka 1,265 crore over that of the target of FY 1995-96 and will reach at Taka 12,565 crore. Revenue collection will increase by Taka 468 crore, because of procedural simplifications in case of different duties and taxes, intensive monitoring and supervision and administrative improvement. It is thus expected that in FY 1996-97, the total collection of revenue from different duties and taxes under the National Board of Revenue will be Taka 13,040 crore, which is Taka 1,740 crore higher than last year's collection.

Mr. Speaker,

54. Having assumed the responsibility of running the affairs of the country after long twenty one years, the present government led by Sheikh Hasina has presented its first budget in this august Parliament. This budget reflects, as far as possible, the economic philosophy and the commitments of the Awami League government contained in the election manifesto. The budget has laid emphasis on economic reforms, open market and liberal trade policies and the role of the private sector in achieving rapid economic growth. We believe that this will lead to an increase in productivity, create employment opportunities and enable us to alleviate poverty.

55. The main objectives of the present government are to establish social justice and achieve economic emancipation of the common people through proper utilization of resources. To this end, it is essential to avoid the wrong policies of the past and design and implement appropriate and conducive political, economic and social policies. It is necessary to create an environment favourable for increasing the productive capability of the people and utilizing their innovative energies in productive activities. Targeted programmes have to be drawn up for alleviating poverty. By reducing wastage in the government and the public sector and by gradually relaxing the existing controls on trade and finance, these sectors will have to be rendered more competitive.

56. To present ourselves as a happy and prosperous nation in the twenty first century, we have to build up in the interest of economic development, a corruption free, dynamic and people oriented civil administration. Therefore, it is extremely urgent to take steps for recast-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ing and decentralizing the civil administration. This will lead to increase in efficiency and ensure transparency and accountability in public administration.

57. In the last few years, the local government institutions of the country have nearly collapsed. Our government believes in developing autonomous local governments well established on democratic foundation. By appropriately restructuring the elected local government institutions and by providing them with the required powers and responsibilities, we can enlist the full participation of the people in these institutions. We hope that if improved public services are provided through Union Parishad, Upazila Parishad and Zila Parishad run by the elected representatives, this will also help increase a healthy awareness of the people towards payment of taxes.

Mr. Speaker,

58. It was a cherished dream of Bangabandhu to create a Bangladesh free from hunger, poverty, malnutrition and illiteracy through bringing economic freedom for the toiling masses of this country. He has given us political freedom but he was brutally killed before he could give us economic freedom. Therefore, it is our solemn duty to complete the unfinished task of Bangabandhu by establishing an exploitation free society through bringing economic freedom for the people. To this end, we, the citizens of the country, will have to be united to consolidate our independence and democracy, imbued with the spirit of the liberation war. It is not possible to achieve the desired economic freedom without political stability and consensus on nationally important issues. I firmly believe that through national unity, mutual respect, democratic values, participation of the people in economic activities and above all, the political ideals of Bangabandhu and the dynamic leadership of Prime Minister Sheikh Hasina, we will succeed in implementing our programmes.

India

India: U.S. Drive For 'Impregnable' Patent 'Monopolies' Viewed

BK0308120896 Madras THE HINDU in English 2 Aug 96 p 10

[Article by Rajeev Dhavan: "Patents and World War III"]

[FBIS Transcribed Text] If wars are about fighting over controlling another's territory, World War III has begun. On July 2, 1996, America issued notice to take India to the World Trade Organisation (WTO) set up Under GATT after the Uruguay Round. A very peculiar situation has arisen. India was supposed to amend its patents law to provide "exclusive marketing rights" (EMR) by December 31,1994 for patents granted abroad for medicine and fertilizers. The Ordinance issued by the President on that date was rejected by Parliament in February 1995. In March, a Patents Bill skimmed through the Lok Sabha, but failed to pass muster in the Rajya Sabha. The BJP [Bharatiya Janata Party] leader Mr. M.M. Joshi told me that the Joint Committee was all, but, ready to reject the Congress Bill which lapsed due to the elections of 1996. Earlier, on December 14, 1993, the Gujral Committee of Parliament had taken the view that a change in the patents regime (especially in relation to medicine) was disastrous for India. Now in 1996 the U.S. (which on April 29, 1992 had earlier retaliated by suspending duty free treatment of U.S. $60 million worth of medicine imports from India and the GATT general system of preferences) insists on punishing the Indian people because its sovereign parliament genuinely feels that it is not in India's interest to enact this law. Mr. Deve Gowda's Government is clearly embarrassed. Apart from the Congress, all its support elements have been critical about GATT and have rejected the patents amendment in any form. Under pressure, it is trying to find a way. Like Chamberlain in 1988! (before World War II), it wants to bring back peace with honour!

First a word on GATT. The Uruguay Round has been surreptitiously expanded from trade in goods to intellectual property (TRIPS), investment (TRIMS), services (GATS) and agriculture. Under our Constitution, the Government can sign treaties, but only parliament can pass legislation to implement them (Constitution Article 253). The Congress Government pre-empted parliament by signing a Treaty. Is our sovereign parliament now helpless? At first, Mr. Rao's Government refused to discuss GATT with parliament: and went ahead and capitulated over GATT's expansion. When under pressure from NGOs [Nongovernmental Organizations], it was forced to conduct an examination, the internal Arjun Singh Committee's deliberations (1992) were never made public. The then opposition parties formally opposed the new GATT in January 1992. On October 21, 1992, Bengal's Jyoti Basu demanded that the States be consulted. This was followed by similar demands by Orissa's Patnaik on December 30, 1993, Tamil Nadu's Jayalalitha on March 4,1994 both of them demanding a meeting of the States. On August 28, 1993 and later in December 1993, Mr. Rao virtually opposed a substantive discussion in Parliament on GAIT. In 1994, the States of Tamil Nadu, Orissa and Rajasthan filed a suit in the Supreme Court that GATT would destroy Indian federalism and other aspects of the basic structure of the Constitution. These suits are still pending. Despite this, the Government signed the new GATT

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

at Marrakesh in Morocco. In 1997 [date as published], a Citizens Commission (consisting of Justices Krishna Iyer, D.A. Desaim, O.Chinnappa Reddy and R. Sachar) found the new GATT constitutionally wanting. America whose continuance of Super 301 under which India has been placed on "watch" is itself, subversive of, and contrary to GATT is now pointing a gun at our Parliament's head. If our parliament is not sovereign to enact laws for India with but fear or favour are we ("the people of India") sovereign? And, if so, is it only in name?

Second, on Patents. Under the TRIPS agreement of the new GATT, no developing nation needs to amend its general patents law to conform to TRIPS for five years and bring into effect "product" patents for 10 years. The mad rush for change in the area of drugs and fertilizers is America's special baby because America (which cannot sell its goods to its own people) supports its huge pharmaceutical and fertilizer lobby which wants to capture the world's markets without fear of competition. As it happens, our pharmaceutical companies offer stiff competition in India and abroad — even in America itself. The best way to avoid competition is to create legal monopolies. That is exactly what patents (and its new found cousin, EMR) are — virtually impregnable monopolies. Monopolies should have no place in a free trade treaty. Each time a nation grants a patent monopoly to a foreigner, it hands over a slice of its economy exclusively to foreign control. The case of drugs is particularly inimical. Mr. Chidambaram has admitted that EMR and the patent change will result in price increases. Our drug manufacturers deposed before the Gujral Committee that 42 per cent of anti-biotics, 66 per cent of anti-asthmatics, 51 per cent of cardio-vascular, 98 per cent of anti-bacterial and 89 per cent of contraceptive hormones are still under patent in the U.S. Under our present law, Indian manufacturers can make the same drug by another process; and market it cheaply to the poor at affordable prices. India's Patents Act 1970 was not a fly-by night legislation, but passed by two select committees, and after deliberation by two national commissions. It is regarded as one of the most balanced statutes in the world. It has also been fair to foreigners, which is self evident because foreigners have annually acquired between 60 and 95 per cent of India's patents. The public interest provisions of the Act requiring foreign patent holders to work the patent by manufacturing in India and not just treat them as import monopolies have rarely been invoked. Equally, the TRIPS part of the new GATT is especially onerous in respect of the total shift from process to product patent, the long life monopoly of 20 years, the immediate EMR monopolies on drugs and fertilizers, the virtual elimination of real public interest safeguards, the potential effect on seeds and plant varieties and the pointing of a gun at our people's quest for cheap medicine and grain as part of the right to health and food.

Third, where do we go from here? The Gujral Committee's conclusion was startling: "There is no denying the fact that the final outcome (of the new GATT) is not in the best interest of India on every count, but in multilateral agreements, it is always a question of give and take." If we fail on every count, what exactly are we giving and taking? The writing on the wall does not look good. At the Ministers' meeting the Singapore in December 1996, India will be asked to promise changes in investment, corporate and foreign exchange regulation law — once again preempting parliament. If parliament yields on the patents issue, it must yield on everything else. That is why it has to assert its sovereignty over the Treaty making power. India's sovereignty cannot be by treaty.

Both, long and short term consequences flow from this: (i) If multilateral and other treaties are going to sign away India's future without any accountability, Parliament must discipline the Government's power to enter into treaties. An immediate discipline (involving parliamentary, States' and peoples' consultation) must precede any signature. A legislation must be passed (under Constitution 7th Sch. List IE-13 and 14) to discipline the treaty-making power and subject it to ratification by parliament: and, if need be by the States where the treaty (as with the new GATT) intrudes into the exclusive domain of the States: (ii) A powerful national commission should examine the implications of GATT whereby India has promised to change its policies and laws so that we know the extent to which we have signed away our sovereignty and collapsed the basic structure of our Constitution in the interests of the global trade rights of other nations: (iii) Since every aspect of the TRIPS agreement is invidious (virtually removing even the public interest safeguards, in addition to bullying India over medicine and food production). The question of amending a part of our Patents Act 1970 should not arise unless we have critically evaluated TRIPS in the light of our national interest as they also affect the transfer of technology generally and the bio-diverse wealth of our nation. Therefore, a special committee must examine the TRIPS part of the GATT agreement, with full public participation. (iv) We should not be in a hurry. No other nation (other than America and the North nations) appears to be, except those bullied by the U.S. In fact, Brazil has made it clear that it will not accept pure import monopolies as satisfying the requirement of working the patent in the recipient State! We do not have to change our patents laws till 2000 AD; and implement the product patents requirements till 2005 AD!

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

(v) The EMR protection for medicine and fertilizers is a colossal fraud introduced, under threat, by America. It serves no global public interest and is entirely tailored to suit particular private corporate interests. The South nations should revolt against the EMR provisions on which the U.S. has declared "war" against us. (vi) India should give leadership on some of the important issues that face the South nations. Its view that it is a future trade predator and must, therefore, side with today's predators, is both unrealistic and immoral. The truth is that India's foreign policy is supine and without direction. This contrasts with earlier times and portends future catastrophe (certainly GATTastrophe). (vii) Before we proceed, let Mr. Deve Gowda's Government at least state its mind — as requested by a Joshi-Chandrasekhar Forum of Parliamentarians at its July 24, 1996 meeting. After all this — to twist Khayyam's phrase — we may not be much more, but, we will not be less.

India: Article Says U.S. 'Client' States 'Conduits for Terrorism'

BK0508114396 Delhi THE ECONOMIC TIMES in English 3 Aug 96

[From the "Global Watch" column by K. Subrahmanyam: "Countering Terrorism"—received via Internet]

[FBIS Transcribed Text] The anti-terrorism summit held in Paris on July 30 is a step forward in the industrialised world coming to grips with terrorism. A 25-point agenda has been adopted with fanfare. Even in the western media there is scepticism about the eight countries in summit implementing the agenda faithfully. The anti-terrorism agenda includes setting up an international database on terrorism, sharing of intelligence, tightening up laws on extradition and asylum, more stringent and standardised security measures at the airports, increased surveillance of transfer of funds, and incorporating signature materials in explosives manufactured. The most difficult step among these is sharing of intelligence. Even within a country different agencies guard their intelligence jealously. How far will then agencies share their intelligence internationally? As was revealed recently the CIA spies on France, the British on Russia and so on. Any intelligence they derive from such operations is unlikely to be shared.

Many intelligence bodies work closely with organised crime networks and run "sting operations." There have been allegations in Time magazine that the Lockerbie explosion of Panam flight 103 was caused by the Syrian Intelligence penetrating a "sting" operation of US Drug Enforcement Agency, and substituting a drug consignment by a bomb. Recall how the French agents planted a bomb in the Greenpeace ship in New Zealand. The US, because of its partisan interventions in regional tensions such as Arab-Israeli and Iran-Iraq disputes, its support to repressive Islamic regimes and its backing and subsequent letting down of Afghan Mujahideen factions, has earned the ill will of a number of Islamic groups. Many of them were trained by the CIA in the past. This is essentially an American problem. The US does not consult the European nations while pursuing its policies in the Middle East. So the latter are hesitant to get entangled in the Islamic-American tensions. Nor do the Europeans and Japanese subscribe to the US casting itself in the role of sole global policeman, prosecutor and judge of states allegedly supporting terrorism. Very little persuasive evidence has been produced to establish that certain states are guilty of terrorism. And US is often ready to look away when client states or friendly countries are involved in terrorist acts. So the Europeans are unwilling to cut off trade ties with Libya, Iran or Cuba as demanded by the US.

Underlying the Paris summit approach is a North-South divide. When Air India's Kanishka was sent down the Atlantic the industrialised world wasn't sensitive enough to the implications of international terrorism. But when a PanAm or TWA airliner is exploded they realise it's international terrorism and demand mobilisation of global effort. A bomb explosion in Delhi's Lajpat Nagar market gets a minute fraction of the attention of the Atlanta pipe bombing. This is not a criticism demanding equal attention. Terrorism in India is being handled with far greater restraint and quiet heroism on the part of the people than analogous acts in the western world.

That is how it should be. What the US misses out is, Ramzi Yusuf who carried out the World Trade Centre bombing and Kansi who shot down three CIA operatives outside CIA headquarters, had their training in the subcontinent. It is far less likely that people who carry out terrorist acts in Europe will proceed to the US. There is a higher probability of terrorism in the developing world being the breeding grounds for terrorism in developed world. The client states of US in the developing world are more likely to serve as conduits for terrorism.

The Paris conference is a sub-optimised attempt at dealing with international terrorism. There are some gains in the limited coordination among industrialised countries but it falls far short of what needs to be done.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

India: Deve Gowda Lauds Kashmiri People for Fighting Militancy

BK0508101796 Delhi All India Radio Network in English 0830 GMT 5 Aug 96

[FBIS Transcribed Text] The prime minister has said that a separate economic package will soon be announced for the speedy development of the Leh region. Mr. Deve Gowda said this while speaking at a civic reception given in his honor by the Autonomous Hill Development Council of Ladakh at Leh today. The prime minister arrived in Leh this morning on a day's visit to Jammu and Kashmir. He said more financial assistance will be given within a short period for the improvement of Leh town. Praising the role played by the people of the state in fighting militancy, Mr. Deve Gowda expressed the hope that an elected government will be installed soon for the speedy development of the state.

Mr. Deve Gowda is accompanied by: the minister of state for home, Mr. Mohammad Maqbul Dar; the civil aviation and information and broadcasting minister, Mr. C.M. Ibrahim; the union home secretary; and other senior officials. The state governor, General Krishna Rao, received the prime minister on arrival at Leh airport. The prime minister will also go to Kargil and Jammu where he is scheduled to meet leaders of various political parties. This is Mr. Deve Gowda's second visit to the state in a month. Last month, he visited the Kashmir valley.

India: Former Janata Dal Leader Interviewed

BK0508012196 Delhi THE ASIAN AGE in English 3 Aug 96 p 3

[Interview with former senior Janata Dal leader Mufti Mohammed Sayeed by Seema Mustafa; place and date not given]

[FBIS Transcribed Text] Mufti Mohammed Sayeed, president of the Janata Dal parliamentary board, member of the party Political Affairs Committee, is the senior most party leader to have tendered his resignation, not just from the party but also from the Rajya Sabha. Mufti seems inclined towards the Congress, and as this interview to SEEMA MUSTAFA shows, is extremely bitter about the party and his recent marginalisation within. He was not made a minister, he was not consulted on Kashmir even though he is the only senior leader the Janata Dal has from that state, and as a continuing insult he was not taken into confidence about any of the party affairs either by Prime Minister Deve Gowda or party president Laloo Prasad Yadav. Mufti, who had earlier been a vocal and eventually successful proponent of an alliance between the Janata Dal and the Samajwadi Party in Uttar Pradesh for the recent parliamentary elections could not secure a seat for himself in the state. He had to contest the elections from Bihar where the only constituency that was made available to him by the state chief minister was Katihaar, a strong base of Congress leader Tariq Anwar. Mufti lost the elections just as many of his well wishers had predicted. He remained a Rajya Sabha MP but while seven ministers came in from Bihar, and even "outsiders" (like Dr Y.K Alagh) were brought into the government, Mufti Sayeed never received the phone call summoning him to Rashtrapati Bhawan.

Those close to him say that he could not believe that he had been left out. Since then he has sensed a not-so-gradual marginalising and feels he was left with no alternative but to resign.

Excerpts from the interview:

[ASIAN AGE] We know why you have resigned, but were you really left with no alternative ? Was it a little programme perhaps?

[Sayeed] It was too much for me to wait for so long. It is a miracle of the century, you can say it is a fluke that a party which has 45 members is heading a government. It was fortunate for us, it was an opportunity we thought for the party to expand its base and to convene all its forums and discuss the problems the country was facing and what to do about these. Congress Working Committee has met twice or thrice, all parties have (conducted meetings), but Janata Dal is the exception. We had a meeting of the PAC [Political Affairs Committee] only before the formation of the government. After the formation Rama Krishna Hegde was expelled from the party and the PAC ratified the decision. Secondly, Kashmir has been eating the vitals of the country. I belong to that state and the performance of our party (Dal) was not too bad. National conference did not participate in the elections. I asked Laloo Yadav to come for the campaign but he said, "kia hai, ek do seat hi ki to baat hai." [It does not matter; it's only a question of one or two seats.] They do not have perspective of the problem. So V.P. Singh and I went. I don't agree with those who say that elections in Kashmir were totally rigged. People generally voted, as far as I know. The result of the elections showed there is a change in the mood of the people. In every long drawn out insurgency people get exhausted. People of Kashmir have got disillusioned with the attitude of Pakistan, people have got disgusted with militants, people want normalcy. There is a change. We saw there is a golden opportunity for the Government of India to have a breakthrough in Kashmir, to talk to the people. V.P. Singh also thinks along the same lines. United Front committed itself to giving maximum autonomy

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to the people of Kashmir. People had responded to V.P. Singh, they saw in him a man of integrity and so we thought this opportunity could be utilised. Here there is an opening which is why we are insisting on elections.

[ASIAN AGE] What do you mean by autonomy? 1952?

[Sayeed] I mean whatever is to be given. You can sit across the table—Kashmir is not only Kashmir, it consists of three regions. Kashmir is for complete autonomy, Jammu is for integration and Ladakh is for merger.

[ASIAN AGE] You think 1952 is a good base to start?

[Sayeed] No, I do not say what is the base.

[ASIAN AGE] What do you feel, the government did not .....?

[Sayeed] The government did not respond. They are in haste. Who has pressurised them to have elections immediately I do not know.

[ASIAN AGE] You must have discussed this with the government?

[Sayeed] I did not. I discussed this with V.P. Singh only. I did not have any... only with Sharad Yadav.

[ASIAN AGE] Deve Gowda?

[Sayeed] No, with Deve Gowda we wrote this letter....

[ASIAN AGE] Did you meet him ?

[Sayeed] No, I did not meet him. I did not meet him. Other representatives, Obaidullah Azmi, Afzal, Wasim, Fatimi met him, and wrote to working president Sharad Yadav.

[ASIAN AGE] But obviously you were not satisfied with those talks?

[Sayeed] Naturally, naturally... They did not buy this idea of having a dialogue....

[ASIAN AGE] Did Sharad Yadav say that?

[Sayeed] No, Sharad Yadav... I don't know... Sharad Yadav does not know what is the thinking at the Prime Minister's level. There is complete lack of communication. Before deciding on the elections they did not consult their own party unit. They had an all party meeting, they said elections should be there. But their own party unit, Janata Dal, was not consulted.

[ASIAN AGE] Is your resignation also to do with the fact that they did not consult you ?

[Sayeed] I was chairman of the parliamentary board, that may be a figurehead. I am a member of the Political Affairs Committee. After he became the Prime Minister, neither the Prime Minister nor the president of the party met me, that might be by design I do not know. Only listening post here was V.P. Singh. Everybody went to him, I felt embarrassed. I told him this is not a party, I am a misfit in the party. I cannot function in this style. (Extending his foot on the table in front Mufti went on to say) aisee hi pair rakhte hain [he puts his feet like this] ... you (VP Singh) are outside, you do not feel the humiliation that I do.

[ASIAN AGE] You were referring to Laloo Yadav, about the feet?

[Sayeed] (Laughs) Anyone who has any self respect.... After all, there is some way of functioning, kuch saleeka hota hai, kuch tareeka hota hai. [There are certain procedures and manners.] So I told V.P. Singh on the phone, "Enough is enough". The only person was V.P. Singh, the only person with integrity, with a vision. It was good he withdrew from before, he could foresee the coming events.

[ASIAN AGE] Are you going to do the same thing, become non-political ?

[Sayeed] No, I am not, I am in the process of thinking what I should do.

[ASIAN AGE] Congress?

[Sayeed] I must think what I should do. Kashmir elections, if they come, will be a critical point with me, I will have to take a position.

[ASIAN AGE] The Congress should be a natural choice for you ?

[Sayeed] I will see, I will see then, I will see.. One is the Kashmir issue. I am not against anyone. I have always been secular. It is the prerogative of the Prime Minister to choose his ministers. Is [this] Prime Minister ki badkismati yeh hai ki nominate kiye gai, ek to nominate kiye gai without knowing the antecedents. [The bad luck of this prime minister is that he was nominated and, furthermore, without knowing who nominated him.] But it is true that those taken in from the minority are those who have not been with the party. Congress was better in Narasimha Rao's time there were nine (minority) ministers. This party jo secularism vaghaira ka dava karti hai, lekin yahan to koi nahin hai, kuch bandva mazdoor ki tara hain. [This party claims to be committed to secularism, etc., but there is no such thing; it is acting like a bonded laborer.] Take Fatimi [not further identified] as an example. He has been an engineer, has been with the party (but has not been taken into government). They have taken [Information Minister] Ibrahim, that is good. But Fatimi who has been a hard core of the party, could they not have taken him too? Quota apna poora kar liya. [But he fulfilled his quota.] I

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

think Congress is in a better shape than the Janata Dal. BJP [Bharatiya Janata Party] also does more.

This party does not have the same attitude, they talk of the minorities, minority ke vote par aate hain par jab izzat dene ka sawaal ho, makaam dene ka sawaal ho to unmein se lalloo, palloo ko chuna jayega. Jo bolne waala hoga, jisko self respect hoga usko dhakela jayega. [They come to power on the vote of minorities, but when it comes to respect for them or finding a place for them, then they pick anyone but the minorities.] This is a fact.

Like this maharaja, as it happens in old feudal times.... That is why I say that this government is a fluke, a miracle. How it will last I can't say...

[ASIAN AGE] You were going to leave once before. Do you think you made a mistake by remaining in the party ?

[Sayeed] No, no. V.P. Singh was the main life line. I could never have thought of leaving. There was some involvement some style of functioning but now there is no unifying factor. Things accumulate and you wonder... See, now they had to go to Muzzaffarnagar. I have contested from there. Deve Gowda from Karnataka, Lalooji and Ram Vilasji from Bihar, Sharadji from Madhya Pradesh. V.P. Singh ko to puchte hi nahin hai, [nobody cares for V.P. Singh] no one from Muzzaffarnagar...

[ASIAN AGE] Were you asked?

[Sayeed] No question of it.

[ASIAN AGE] Do you think it is deliberate?

[Sayeed] It is a style. Deliberate hai [yes]? Design hai? I do not know what it is. Their attitude towards the minorities, there is an effort to marginalise them. Take the Cabinet formation. I am at a loss to understand the logic.

Take the steering committee. There is no minority member. It is not just a question of minority-majority, but it does symbolise something. You can see the whole structure of the party. What can a person say?

[ASIAN AGE] Take Maqbool Dar [minister of state for home from Kashmir], he is supposed to have been your nominee, they listened to you.

[Sayeed] They were forced to. Farooq Abdullah was after them to make his man as a minister. But they were compelled. Taslimuddin had left so they had no choice.

[ASIAN AGE] In todays scenario which party seems attractive ?

[Sayeed] First see the way this party functioning. There is no yardstick, no standard. It is going down. Take Hegde's expulsion.

[ASIAN AGE] Did you take a stand against it?

[Sayeed] I was not here, I was in Srinagar.

[ASIAN AGE] Your personal animosities against Sheikh Abdullah, Farooq Abdullah.....

[Sayeed] I have no differences with anyone. In Kashmir if you make a front, people there have an image of imposition from Delhi. A United Front will act against whom? Will you make a United Front against a ghost? It will not seem like an election, but selection, that they have all got together to form the government. National Conference is a popular party, I am only saying there are other parties, like the Janata Dal. Let secular parties fight secular parties so one of these plays the Opposition role. It is quite illogical to make a combination from here and contest the election. Are you fighting against the people?

Give the people a choice, everything can't be in one shop.

[ASIAN AGE] You have neglected Kashmir, being in the mainstream party and giving more attention to other affairs. Do you agree?

[Sayeed] I have paid a lot of attention to Kashmir.

[ASIAN AGE] Is the Congress a communal or secular party ?

[Sayeed] Who has ever called it communal?

[ASIAN AGE] Narasimha Rao was described as such?

[Sayeed] No, never.

[ASIAN AGE] Janata Dal, one thought, had always said so?

[Sayeed] No, Janata Dal is surviving on his support.

[ASIAN AGE] Before the election it spoke of the Congress as communal.

[Sayeed] That was different....

[ASIAN AGE] Has anything happened policy-wise to have changed the image of the Congress to that of a secular party?

[Sayeed] After the Congress decision to support the United Front government the demarcation has been made. That is a positive indication. I think Narasimha Rao's master stroke has been his alliance with the BSP [Bahujan Samaj Party]. He stole a march, and has opened up his future.

[ASIAN AGE] When you speak of Congress vis-a-vis Kashmir politics, then there are other problems. There is Ghulam Nabi Azad... ?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Sayeed] No, no nothing...

[ASIAN AGE] But their line on Kashmir is as diluted or diffused as maybe the Dal line?

[Sayeed] They have consultations. I was better placed, even in the Dal they would come to me, consult me, discuss Kashmir with me. The Prime Minister (Rao) would call me. They have the experience of governance. It is not as if it was all a blank for them.

[ASIAN AGE] So it is a natural homecoming for you?

[Sayeed] I don't know . . .

[ASIAN AGE] Why don't you say you are joining the Congress? What is the hitch?

[Sayeed] There is no hitch. Hitch kiya hai? [Where is the hitch?] I had been in the Congress for thirty years, from 1959 till 1987. I was the president of the Jammu and Kashmir Congress from 1975 when Sheikh Abdullah took over till 1987. I have been in the organisation, but in Kashmir the Congress was number two party, after the National Conference. It was very vibrant, fighting on the streets. I have been in that organisation.

[ASIAN AGE] But the central policy towards Kashmir was not at all good. Take the dismissal of the Farooq Abdullah government...

[Sayeed] Woh to hua na. [He was not taken.] Naturally...

[ASIAN AGE] It was a wrong decision?

[Sayeed] No, I was part of that decision. I cannot say it was a wrong decision. Usse ek break ho gaya na, khandaan ka break ho gaya, party ka break ho gaya, usme kya tha. [The decision caused a break in the family and in the party. What was in it?—Hindi sentence as published] It was a political move.

[ASIAN AGE] It did not damage the polity of Kashmir?

[Sayeed] If it had damaged it, Farooq Abdullah would again get an opportunity to go before the people. It happens here, governments form, people go and come. Why should there be different standards for Kashmir? Ho sakta hai kabhi galti bhi ho gayee. [It is possible that a mistake has been made.] But then this happens everywhere

India: Parties Cautioned Not To Form Private Armies for UP Polls

BK0508071596 Delhi Doordarshan Television Network in English 1530 GMT 4 Aug 96

[FBIS Transcribed Text] The Election Commission has cautioned political parties in Uttar Pradesh [UP] against forming lathi [baton]-wielding groups of party workers ahead of the forthcoming assembly elections. Atul Tiwari reports:

[Begin recording] [Tiwari] With the political parties preparing themselves for the forthcoming elections to the 425-member UP Assembly, some of them have announced formation of lathi-wielding outfits of party workers. Nicknamed as red brigades, blue force, and chunao sena [election army], these outfits are perceived by the Election Commission as potential troublemakers. In an attempt to curb the activities of such outfits, the election commissioner, Mr. G.V.G. Krishnamurthy, has urged the parties to drop the idea.

[Krishnamurthy] This is very unfortunate that some political parties who are registered with the Election Commission and who swore by the constitution of India and also for conducting free and fair polls have announced the formation of lathi-wielding senas — the word is very disturbing — to be formed during UP elections for the purpose of ensuring irregularities will not take place. The responsibility for ensuring that no irregularity takes place is with the Election Commission not with any political party.

[Tiwari] The Election Commission is firm in its resolve toward the peaceful conduct of elections in the state. Mr. Krishnamurthy said that if the concerned political parties do not revoke their decision to form senas, the commission will consider legal steps.

[Krishnamurthy] And we have got the Representation of People Act and also Symbols Order, which give enough powers to the commission to consider what we have to do. These political parties, which are registered, are also recognized and symbols were allotted, and they should understand that they have to obey the law.

[Tiwari] The matter is likely to come up for hearing in the next full meeting of the Election Commission. [end recording]

India: Pro-Pakistan Militants Reportedly Behind Srinagar Killings

BK0408110796 Delhi Doordarshan Television Network in English 1530 GMT 3 Aug 96

[FBIS Transcribed Text] In Jammu and Kashmir, the recent killing of six tourists in the Dal Lake area in Srinagar was masterminded by a pro-Pakistan militant outfit. This was disclosed by four arrested militants involved in the killing. They said that the tourists were killed on instructions from across the border to thwart the tourist season in Kashmir. The tourists belonging to Rajasthan and Uttar Pradesh were abducted by eight militants while enjoying the Shikara [small Kashmiri

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

boat] ride in the Dal Lake on the 15th of last month and were later killed.

[Begin unidentified Kashmiri youth recording, in Kashmiri with captioned English translation — transcribed from English] The killing of tourists was masterminded by self-styled company commander of Hizbul Mujahideen Aashiq Hussain. [end recording]

An official spokesman said in Srinagar that security forces in a three-day-long operation have cleared the Dal Lake of all militants.

[Begin Appa Sahib Allur, Border Security Force inspector general, recording—identified by caption] Militants finding it very easy to hide, operate from there, we thought it very essential to flush and cover the Dal [Lake] so that during the forthcoming assembly election they will not be able to use it. Thereby [as heard], we decided to go on 19th, and by now we are completely in control of the Dal. Being a Dal operation, it would get [words indistinct] — namely, (Mankala), (Magota), (Rahman), (Chota Ati), (Tiag Ahmad), and (Merajuddin). With this apprehended militants, we are likely to get further more clues, and we will be able to get the whole gang [words indistinct]. [end recording]

Meanwhile, leaders of various political parties and social organizations have hailed the economic package announced by the prime minister, Mr. H.D. Deve Gowda, in parliament yesterday. They said that the decision of granting B-class status to Jammu city and waiving of loans of up to 50,000 rupees have fulfilled long-standing demands of the people. The prime minister told the Rajya Sabha yesterday that the question of autonomy to the state will be considered after the assembly election in the state.

Iran

Iran: UN Mission Calls Recent 'Accusations' by U.S.'Unwise'

LD0308102596 Tehran IRNA in English 0817 GMT 3 Aug 96

[FBIS Transcribed Text] United Naitons, New York, Aug 3, IRNA — The Iranian mission at the United Nations here Friday [2 August] night described the new wave of attacks and accusations against the Islamic Republic of Iran by American media and politicians as unwise and irrational.

The statement added that these accusations range from implication of Iran by Defence Secretary William Perry in the bombing of Saudi Arabia, to implication in crash of TWA plane by Newt Gingrich in interview with NBC TV and also articles in press, "where they prescribed to the President of the United States that situation is ripe for him to attack militarily against Iran without being accused of playing election-year politics."

The Iranian mission further added that other attacks against the Islamic Republic of Iran appear in U.S.A. TODAY which clearly represent the views of an Iranian terrorist organization, based in Iraq, and the Israeli secret service, "both of whom have been acknowledged to have vested interest in dissemination of disinformation in order to defame Iran."

It went on to say, "the prejudicial and irresponsible nature of these charges and defamatory statements against Iran are crystal clear in light of the fact that they are made even before the investigations concerning Saudi Arabia bombing, TWA and Atlanta bombing are concluded." All these charges are distingulshed with their opportunist nature, it said.

"Contrary to the assertion by Secretary Perry in his interview today with NPR (National Public Radio) that Iran has announced it would direct international terrorism against the United States, and other allegations in recent articles and interviews which Iran categorically rejects, Iran's strength lies not in training any terrorist in Iran or supporting international terrorism but in its unwavering commitment to the principle of rejecting both hegemony and hegemonization — a principle enshrined in the egalitarian tenets of Islam," concluded the statement.

Iran: Velayati Protests to United Nations Over U.S. 'Threats'

LD0408143896 Tehran IRNA in English 1300 GMT 4 Aug 96

[FBIS Transcribed Text] United Nations, New York, 4 Aug, IRNA — Iran's Permanent Representative to the U.N. Kamal Kharrazi submitted a letter from Iranian Foreign Affairs Minister 'Ali Akbar Velayati, to U.N. chief of [as received] on Saturday [3 August] warning the international community of recent U.S. threats against Iran.

In his letter, the Iranian foreign minister cautioned against threatening behaviour by the U.S. Government towards Iran, urging for all necessary measures by the U.N. chief to prevent the dangerous consequences that such irresponsible acts by the U.S. could entail for the world peace and stability.

In the letter, which Kharrazi asked to be circulated as an official document of the Security Council, Velayati conveyed the deep concern of the government of the Islamic Republic of Iran about the continued hostile statements of the officials of the United States and it's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

policies vis-a-vis the Islamic Republic in the last few days.

Pointing to the alarming and threatening dimensions of the statements made by U.S. secretary of defence and speaker of the House of Representatives, who intensified their campaign of disinformation and hostile propaganda against the Islamic Republic of Iran, by reckless suggestion of military action against the Islamic Republic, the letter called the statements as blatant examples of political manipulation of public opinion already apprehensive about the recent tragic events.

The two American officials have accused the Islamic Republic of Iran of being behind terrorist attacks such as bombing of a U.S. base in Dhahran, Saudi Arabia, have openly suggested that Washington take military actions against the Islamic Republic of Iran.

Velayati, in his letter, categorically dismissed the allegations, as an affront to the sovereignty of the Islamic Republic of Iran.

He termed U.S. threats of use of force against the Islamic Republic of Iran as an arrogant and callous disregard for the most basic principle of the rules of international law and charter of the United Nations and a clear example of state terrorism.

He emphasized the Islamic Republic believes that the U.S. Government may be seeking an excuse to embark on adventurism against and confrontation with Iran in the face of overwhelming opposition by the international community to it's attempts for the extra-territorial application of it's jurisdiction, and particularly it's policy, on the Islamic Republic of Iran.

The foreign minister also drew the attention of international community to the potentially dangerous repercussions for the international peace and security that such irresponsible and threatening behaviour by the U.S. Government could entail, pointing out that the responsibility for such adverse effects should be borne by the United States alone.

The Iranian minister reminded the U.N. secretary-general that prevention of such potentially dangerous consequences is the primary responsibility of the United Nations Organization. He also asked the U.N. chief to take all necessary measures to in the regard [as received].

Iran: Diplomat—U.S. Allegations Ploy To Distract Attention

LD0408212796 Tehran IRNA in English 1930 GMT 4 Aug 96

[FBIS Transcribed Text] Athens, 4 Aug, IRNA — A high-ranking Iranian diplomat Sunday [4 August] dismissed American allegations against Iran of involvement in terrorism as an "attempt to distract public attention."

"These are attempts to distract public attention from realities of the case and from looking at the actual culprits," Javad Zarif, Iranian deputy foreign minister, told the American television network CNN in an interview.

Speaking from Tehran in a live broadcast with CNN reporter Frank Sesno, Zarif noted that it has become a "normal business" after each incident to point a finger at Iran.

"These fingers are pointed for political reasons," he stressed.

Earlier, speaking on the same program, a journalist with the American weekly TIME, Douglas Waller, alleged that the CIA was pointing a finger at Iran for the explosion on the TWA jumbo jet.

Zarif cited previous cases like in Argentina and in Oklahoma where Iran or Middle East states were immediately accused of bomb attacks, but later it was proven that the terrorist acts were carried out by local home-grown groups.

He underlined that the Islamic Republic of Iran rejects and condemns terrorist acts against civilians, like the TWA bombing and the Olympic village bomb blast and reiterated Tehran's call for serious international cooperation to combat terrorism.

Zarif stressed that Iran does not interfere in the internal affairs of other countries, but added that the presence of American forces in the Persian Gulf region was a "destabilizing factor."

He recalled the downing of an Iranian civilian airliner by a missile from an American warship in the Persian Gulf, killing all 270 passengers aboard.

The Iranian official firmly rejected U.S. media reports claiming the presence of 11 "terrorist" camps inside Iran as "baseless."

He pointed out that these reports were copied from the Israeli newspaper MA'ARIV.

U.S. Defense Secretary William Perry Saturday retracted his earlier statements insinuating that Iran might

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

be involved in the truck bombing against the U.S. military base in al-Khubar in June.

Iran: Opposition Praises Signing of U.S. Anti-Terrorism Bill

NC0508160496 Paris AFP in English 1548 GMT 5 Aug 96

[FBIS Transcribed Text] NICOSIA, Aug 5 (AFP) — The Iranian opposition in exile on Monday [5 August] praised US President Bill Clinton for signing a tough anti-terrorism bill penalising foreign companies investing in the Iranian oil and gas industry.

The bill is a "courageous initiative by the United States congress and president" and "a necessary step in confronting international terrorism that is directed by Tehran's rulers," said Mas'ud Rajavi, president of the National Council of Resistance of Iran.

The council is the political body of Iran's main armed opposition, the People's Mujahedeen.

Rajavi, in a statement received by AFP in Nicosia, "expressed hope that European and other industrialized nations would join trade sanctions against the regime."

The bill, signed by Clinton on Monday [5 August], threatens sanctions on non-US companies which invest more than 40 million dollars annually in both the Iranian and Libyan energy industries.

The US accuses Tehran of sponsoring terrorism around the world, and administration officials have hinted that Iranian-trained terrorists could be responsible for the bombing at a military complex in Saudi Arabia that killed 19 Americans in June.

But the new anti-terrorism law has been criticised by Washington's European allies who prefer to carry on a "critical dialogue" with Iran as a means of modifying the Islamic leadership.

Iran: Spokesman—Clinton's Decisions 'Doomed to Failure'

LD0508172896 Tehran IRIB Television First Program Network in Persian 1630 GMT 5 Aug 96

[FBIS Translated Text] The spokesman of the Foreign Affairs Ministry of the Islamic Republic of Iran stressed tonight that Clinton's decisions do not enjoy international backing and are therefore doomed to failure.

Referring to Clinton's signing of a bill that intensifies sanctions against the Islamic Republic of Iran, Mr. Mahmud Mohammadi said: By persisting with measures that contravene global norms and conventions, as well as the rules of international free trade, Washington is in fact challenging the realities of the world, and this will undoubtedly lead to America's isolation.

The spokesman of the Foreign Affairs Ministry added that America is facing serious problems in its attempts to impose its opinions on the international community.

He said: The international community is aware of Clinton's intentions to gain a monopolistic domination over the world's energy resources and fertile economic markets, therefore, it will not believe the White House's propaganda on countering terrorism.

Iran: Foreign Ministry—Clinton Does Not Have World Backing

LD0508190596 Tehran IRNA in English 1719 GMT 5 Aug 96

[FBIS Transcribed Text] Tehran, Aug. 5, IRNA — Spokesman of Iran's Foreign Ministry Dr. Mahmud Mohammadi said here today that Washington's insistence on adoption of measures against international protocols and free trade principles was a challenge to the realities of the present-day world. He said such measures would isolate the U.S. Administration.

Mohammadi said the United States was having a terribly hard time trying to impose its dictates on the international community, and added the bill that proposed more austere sanctions against Iran, Libya and Cuba was against free global trade and a violation of mutual interests of nations.

He added that Clinton had offered a show-offish demonstration of the bill exploiting false propaganda, and reminded that contradictory statements by the U.S. defense secretary was part of that false propaganda. He added that the world community was truly aware of the Mr Clinton's intent that was to make it possible for the United States to wield unchallenged domination over global energy resources and untapped economic markets of the world.

Mohammadi said the world did not have any opinion of Washington's pretensions of concern for and fight against terrorism.

Iran: European Allies Critical of U.S. Sanctions Against Iran

MS0608103296 London THE TIMES in English 6 Aug 96 p 10

[Report by Tom Rhodes in Washington, Michael Binyon and Michael Theodoulou in Nicosia: "U.S. Sanctions Against Iran and Libya Trigger Allies' Outcry"]

[FBIS Transcribed Text] Under Pressure to take military action against Tehran, President Clinton yesterday

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

announced sanctions designed to punish foreign investment in Iran and Libya, triggering another row with Britain and other American allies in Europe. The President urged the allies to unite behind a common resolution to punish countries that export terror. "The United States has to act. I hope that people will realise that you cannot do business by day with countries who are killing your people by night," he said.

In a speech later he added: "Stopping the threat of terrorism requires a common resolution.

Where we do not agree, the U.S. cannot and will not refuse to do what we think is right."

Mr Clinton, in signing the legislation sponsored by Alfonse D'Amato, the leading Republican senator, described Iran and Libya as "two of the most dangerous supporters of terrorism in the world".

The embargo, requiring the President to impose sanctions on foreign companies that invest $40 million (25 million pounds) or more annually in the energy sectors of Iran and Libya, comes a month after the U.S. provoked a diplomatic row with its allies over the Helms-Burton Bill, which punishes foreign investment in Cuba. European states voiced strong opposition to the latest sanctions, and gave a warning of retaliation.

At the same time officials in Britain said that any talk of airstrikes against Iranian targets in response to the destruction of the TWA plane and the bombing of an American base in Saudi Arabia was premature. They said there was still no conclusive proof linking Iran with the atrocities.

France said that it would vigorously defend its national interests. A Foreign Ministry spokesman promised retaliation for any damage to French trade, and said Washington had not given its allies any evidence of Iranian involvement in the attacks.

A Foreign Office spokesman said: "We agree that there should be a common Western policy on Iran and Libya. But we cannot accept U.S. pressure to impose sanctions under the threat of mandatory penalties."

The Italian Foreign Ministry also expressed alarm at possible repercussions from the measures. Italy is Libya's most important trading partner, supplying its former colony with 21 per cent of its imports, worth almost $5 billion last year.

Iranian newspapers responded with characteristic pugnacity to the bellicose mood in Washington, calling for Iran's armed forces to be put on alert and urging oil-producing Muslim countries to use the oil weapon against the United States.

Javed Zarif, Iran's Deputy Foreign Minister, dismissed suggestions that American military action was imminent. The debate in Washington had not reached the stage that would cause the Clinton Administration to commit itself to such "a foolish mistake", said Dr Zarif, who oversees relations with the U.S. and Europe.

Speaking by telephone from Tehran, Dr Zarif said Iran was confident it could defend itself. "We do not like to see a conflict, but if there is one imposed upon us we will certainly defend ourselves," he said. American threats of military action against Iran were exacerbating a very volatile situation.

Dr Zarif conceded that the new sanctions would cause some problems, but said he was confident that they would be overcome.

He denied Iran was involved in terrorism and said it deplored both the Saudi bombing and the destruction of the TWA jet. By accusing Iran, Washington had dealt a serious blow to the international fight against terrorism because it was helping the real culprits to escape, he added.

In April, the European Council instructed the Commission to consider retaliatory measures if the D'Amato Bill passed into law. As in the case of the Helms-Burton Act, this may involve penalties against American companies.

The legislation requires the White House to impose two of six possible sanctions against foreign companies or individuals that invest above the $40 million ceiling. These include the denial of loans from the Export-Import Bank and the introduction of import sanctions against foreign companies.

Iran: Foreign Ministry Spokesman Criticizes Sanctions Bill

LD0608152696 Tehran Voice of the Islamic Republic of Iran in English 1130 GMT 6 Aug 96

[Unattributed commentary]

[FBIS Transcribed Text] Following Bill Clinton's signing of a bill intensifying the trade embargo against Iran and Cuba on 5 August, the Iranian Foreign Ministry Spokesman, Dr [Mohmud] Mohammadi, said: Since Clinton's decision is not internationally supported, it will face defeat. U.S. insistence on continuing to take measures against international rules and the world trade system is in open contradiction with today's world realities.

U.S. officials have recently started false propaganda concerning Iran's support of terrorism, so that they can get the law on intensifying economic sanctions against Iran signed. But the contradictory statements of the U.S.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

secretary of defense on the Dhahran bomb explosion is a clear reason for the baselessness of the false U.S. propaganda regarding Iran.

As pointed to by Dr Mohammadi, spokesman for the Islamic Republic of Iran's Foreign Ministry, the world community is aware of Clinton's goals of creating monopoly and dominating energy resources and economic markets of the world, and does not believe in the U.S. false propaganda of fighting terrorism.

The signing of a plan on intensifying sanctions on Iran and Libya by Mr Clinton was faced with a serious opposition of European countries. Europe, on one hand, is against imposing of U.S. internal laws on Europe and other countries, and on the other hand, intensifying sanctions on Iran is against Europe's economic interests.

So European countries believe that Washington has taken the wrong way with Iran, and Europe cannot accept the U.S. pressure on its allies by threatening to punish companies who trade with Iran, and punishing European tradesmen is a wrong measure. [sentence as heard].

As a whole, the international system is going towards multi-polarization, so it does not accept the undisputed leadership of the United States. The U.S. government must accept the reality ruling the world. The U.S. decision on imposing sanctions on Iran will entail nothing but the defeat and isolation of the United States in the international scene.

The Islamic Republic of Iran, carrying out plans on the expansion and reconstruction of the country, has taken basic steps in the field of economic independence. U.S.-imposed sanctions on Iran will cause further attraction to internal forces and possibilities, in a way that at present, many major industrial plans are being carried out by domestic experts. So U.S. sanctions, even if they were supported by U.S. allies, would not have a determining role on Iran's construction.

Iran: Kharrazi—Iran Has 'No Links' With Terrorism

LD0608162896 Tehran IRNA in English 1110 GMT 6 Aug 96

[FBIS Transcribed Text] London, Aug. 6, IRNA — Allegations are easy to make, but if the U.S. has any evidence of Iran's supposed involvement in any terrorist attack, it should be published, says Iran's permanent representative to the United Nations, Kamal Kharrazi.

He told BBC television Monday [5 August] that Iran had no links with terrorism but was a victim itself of terrorism. The U.S. were "using the excuse of Iran to extend its hegemonic policy," he said.

The latest claims of Iran having supposed training camps, the ambassador said, came from a terrorist group, the MKO [Mojahedin-e Khalq Organization], which is based in Baghdad and first disseminated its propaganda to THE SUNDAY TELEGRAPH in the UK and then to USA TODAY.

U.S. policy of making threats and imposing sanctions, he said, would not win, European countries were not going to comply.

His comments came as the European Union reacted angrily to President Clinton signing a bill to punish foreign firms trading with Iran and Libya after previously giving Washington repeated warnings that it would retaliate against any threats.

Germany said that the U.S. was taking the "wrong path." Britain said it would not be dictated to by outside powers. France warned it would hit back against any damage caused to its trading interests.

Kharrazi said that terrorism was a phenomena that had to be dealt with through the cooperation of all states to solve the problem.

Iran's deputy foreign minister, Javad Zarif, also criticised U.S. policy saying that by accusing Iran, Washington dealt a serious blow to the fight against terrorism by helping the real culprits to escape. In a telephone interview with THE TIMES newspaper, he said that Iran did not like to see conflict and that the Clinton Administration would be committing a "foolish mistake" if it really contemplated military action.

Zarif said that American threats were exacerbating a very volatile situation and warned that Iran would certainly defend itself if a conflict was imposed upon it.

Iran: Daily Condemns U.S. Anti-Terrorism Policies

LD0308103396 Tehran TEHRAN TIMES in English 31 Jul 96 p 2

[Unattributed article: "Terrorism Should Be Redefined"]

[FBIS Transcribed Text] German Foreign Minister Klaus Kinkel on Tuesday [30 July] rejected U.S. calls to isolate Iran, emphasizing that Europe would continue holding a critical dialogue with Tehran.

Meanwhile, the European Commission [EC] on Tuesday proposed an EU-wide regulation that would prevent European companies from complying with controversial U.S. legislation that seeks to penalize them for doing business with Cuba.

Kinkel's statement — which reflects the viewpoint of all European countries — and the EC proposal indicate

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that the U.S. is mistaken in its perception of terrorism. This is why Washington has been left alone in its so-called fight against what it calls terrorism.

Indeed, terrorism is the main threat to global peace, security and development. Hence, fighting against terrorism is a sacred task and all countries should contribute to this noble cause.

Nevertheless, lopsided approach to the issue, or abusing the anti-terrorism campaign for parochial political gains, is certain to backfire. The most appropriate way to do away with international terrorism is taking a comprehensive stance towards this evil phenomenon.

In other words, a distinction should be made between a comprehensive approach and a selective stance. To clarify the matter, it is patent to everyone that Israel is the epitome of state-sponsored terrorism, as it has frequently violated all international recognized rules and regulations. The latest instance of Israeli crime against humanity was the massacre of innocent people at Qana in Lebanon. But the U.S. did not even condemn the criminal act, let alone taking punitive measures.

To cite another example, the United States has become a haven for a number of terrorists from the Third World countries who took subversive measures against popular and independent governments in their countries, aiming to overthrow those governments and establish puppet regimes which would lean toward the U.S.

Having been isolated in the international community through launching a self-servicing campaign against what it calls terrorism, the U.S. next resorted to imposing its will on the international community through enacting extraterritorial laws so as to improve its international image. But this move was also doomed to failure.

The EU should be lauded for taking a brave stance against the U.S. bullying. The EU legal measures against Washington will definitely bring the U.S. officials to their senses.

As regards terrorism, the UN should hold an international conference on terrorism to come up with a clear and exact definition of the term. All members of the UN should participate in this conference, leaving no room for the U.S. to influence the outcome. Above all, the participants should commit themselves to what the conference may recommend.

Iran: Paper Criticizes Helms-Burton Bill on Iran

NC0408134796 Tehran JOMHURI-YE ESLAMI in Persian 28 Jul 96 pp 16, 3

[Unattributed commentary: "'Helms-Burton' and Amateur Statesmen"]

[FBIS Translated Text] At no juncture in American history have the statesmen in Washington been a victim of their own inexperience and ineptness as now. During the four years of Clinton's administration in America, this country has been the victim of many disgraceful defeats because of its unweighed decisions or because of its Zionist-backed statesmen.

Failure in mobilizing the world to participate in the economic sanctions on Iran; failure in mobilizing the world to seriously invest in the struggle against what Gingrich called 'organized terrorism by Iran;' and failure to mobilize the world to inflict pressures on Russia to stop its nuclear cooperation with the Islamic Republic of Iran are only among the many tormenting defeats and disgraces that the White House has faced during the past year and few months.

Nevertheless, since the "Helms-Burton Act", which has come to be known as "secondary sanctions", has had unprecedented support from American statesmen, it should — by rule — be more important than all the other anti-Iranian efforts by America which were severely defeated.

In the first half of 1374 [year ending 20 March 1996] when the market for anti-Iranian nuclear propaganda was hot, Senator Alphonse D'Amato actively strived for the approval of a bill for vast American economic sanctions against Iran. This effort took place at a time when Washington had called on European countries to sever their relations with Iran but had met with a negative response from most of them.

Meanwhile, the coming to light of an agreement between America's Conoco Company and Iran added to the pro-sanctions atmosphere ruling the White House. Clinton's Democratic government, which wanted to prove its opposition to Iran to the Republicans following its defeat in the mid-term elections, ordered the cancellation of the Conoco oil agreement.

Following that, Clinton issued another decree on extensive sanctions against Iran, on severing banking relations between the two countries, on stopping Iranian oil purchases by American companies, and on banning all imports and exports between Iran and America.

The Zionists' support for these efforts and their propaganda atmosphere was so intense that even large American companies that faced millions of dollars of losses

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

because of this policy did not take any steps to confront this policy and, even if they did, they failed. With the issuing of this decree, the D'Amato bill lost its objectivity, and instead, he thought of approving a bill known as the "secondary sanctions" bill.

Some of the arguments that were propounded were that a unilateral sanction would merely help foreign companies to fill the vacuum created by the absence of American companies. Thus, other American Congressman — Helms-Burton —compiled a bill on the basis of which foreign companies should choose between trade with Iran or with America and that those companies that choose to trade with Iran will be affected by the "secondary sanctions" bill. This bill was not limited only to oil products, but included all types of trade.

With the consent of the Clinton administration this bill was to be presented as a gift to the new Zionist Prime Minister Shim'on Peres in Azar [month ending 20 December] when the latter was to address a joint Senate-House session.

This decision was ridiculous and ineffective from the very first moment that it was adopted by the American Zionists and under their pressure because our world is an economic world and no government is ready to sacrifice its economic interests for political objectives. Actually, many political analysts believe that the opposite of this is more prevalent in that sacrificing a political stand for the sake of economic interests appears to be more logical. Therefore, following the announcement of Clinton's stand, the European Union comprising 15 European countries, as well as Japan, Russia, and many other Asian countries expressed their disagreement with the White House decision and they re-emphasized this opposition more decisively each time Clinton restressed the issue.

The truth is that no government is ready to sacrifice its national interests for unstable political rotations on the international scene, especially when most governments know that the Americans' political performance toward the Islamic Republic of Iran is only an act of personal vengeance aimed at making up for failures and defeats in the Americans' strategy toward the Islamic Revolution.

"Economic need" is a phenomenon that should be assessed and removed from political dependencies. At least, the experience in economic relations between the Eastern and Western blocs in Europe during the past three decades should have proven that economic relations were not exclusively, but often, considered to be separate from political considerations. For example, today each one of the Western bloc countries merely thinks about its economic benefits in its economic relations with the Islamic Republic of Iran, and efforts are made to keep these interests safe from the harm that political inclinations can inflict. If the Americans' efforts to encourage their political allies' to impose economic sanctions on the Islamic Republic of Iran have failed until now, this is because of the political independence of the European governments vis-a-vis America on the one hand, and the fact that American statesmen are "amateur" on the other. These statesmen are still incapable of foreseeing the repercussions that their decisions will have on the international scene, and thus they suffer one defeat after the other.

Although Islamic Iran has shown in practice that it is indifferent toward such rivalries, it has behaved sensitively toward all those governments that receive their orders from Washington on how to regulate their bilateral relations with Tehran. It will continue this policy. Today the Islamic Republic of Iran feels, more than ever before, that it enjoys the initiative of action and maneuverability in the volume of its economic relations with various countries of the world.

Iran: U.S. 'Mischief,' 'Pressure' at Atlanta Olympics Viewed

LD0408164796 Tehran IRIB Television First Program Network in Persian 1000 GMT 4 Aug 96

[Unattributed commentary]

[FBIS Translated Excerpt] The championship of Rasul Khadem [gold medal winner at 1996 Olympics] was achieved under circumstances where the Americans tried to prevent this historic event by their own particular mischief.

The almighty conveyed our message to the bullies of the world, and the championship of Rasul Khadem brightened the light of hope in our hearts. Thus said President 'Ali Akbar Hashemi-Rafsanjani in a part of the speech he delivered at the ceremony marking the birthday anniversary of the holy Prophet Muhammad, God's peace and benediction be upon him and his scion. Regarding the current Olympic Games in Atlanta, most analysts believe that political influence has been more noticeable in these Olympics than in previous ones, to the point that in many of the final competitions when champions from different parts of the world faced U.S. athletes, the umpires had no choice but to support the host country's athletes.

It was the use of such pressure that, in practice, led to Iran losing another certain gold medal. NBC admitted in this connection that, this time too, as on hundreds of other occasions, Third World countries had lost out to the influence of superpowers, particularly the country

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

hosting the games, that is, the United States. In this sense, pressures of this sort are more likely to have negative political effects than affirm the championship status of U.S. athletes. Also, world public opinion becomes more aware than ever before that the United States even turns its back on fair and valiant competition and takes advantage of the smallest opportunity to boast of its superiority.

In any event, what we should not forget in the middle of all the politics of the Olympics, is that we should pay attention to our country's athletic talents and how these can be strengthened to compete well at the international level. [passage omitted]

In this connection, experience shows that our youth have been gloriously successful every time they have relied on their national and religious heritage and every time they have enjoyed the benefits of adequate resources. [passage omitted]

Iran: Tehran Views U.S. Problems in Saudi Arabia

LD0408183696 Tehran Voice of the Islamic Republic of Iran in English 1130 GMT 4 Aug 96

[Unattributed commentary]

[FBIS Transcribed Text] The explosion of a bomb in the American military base in Dhahran, located [in] Saudi Arabia, on 25 June, which led to the death of at least 19 American soldiers, has increased the pressure on the White House. Therefore, the American defense secretary has decided to take the military families stationed in Saudi Arabia out of this country while preparing the American forces in the Persian Gulf.

Meanwhile, the bombing in the American military base in Saudi Arabia and the explosion in Atlanta, the place where the Olympic Games were held, have made the status of the American President Bill Clinton shaky in domestic public opinion.

The Republicans consider these explosions as a weak point of the American Democrat president and intend to put under question the eligibility of Clinton for holding the presidential post in the future round.

Meanwhile, Washington is facing problems in Saudi Arabia and the Persian Gulf region. The American defense secretary travelled to Saudi Arabia on Tuesday, 30 July, to persuade the Saudi officials to transfer the American troops in Saudi Arabia to a desolate base in the south of Riyadh. The Saudi Arabians have reluctantly accepted the request because this action clearly shows their incompetence in protecting the American soldiers.

Paying for the cost of transportation of the American soldiers to Saudi Arabia and the establishment of welfare and military installations were the other duties of Mr. Perry in his trip to Riyadh. However, experts believe that such actions of the While House in Saudi Arabia will stimulate the sensitivity of these people more than ever against the Americans.

From the occupation-crisis of Kuwait by Iraq, in 1990-91, which led to an intensified presence of the American troops in Saudi Arabia, the opposition against the forces and the influence of Washington on Riyadh escalated. However, the demolition of the American military base in the Saudi Arabian capital Riyadh, last November, showed the intensification of the anti-American sentiment in Saudi Arabia — such, that a few groups in Saudi Arabia held responsibility for this explosion. [as heard]

Meanwhile, the explosion in [the] American military base in Dhahran made Washington recognize the seriousness of the opposition of their presence in Saudi Arabia.

It seems that the new attempts of the White House to blame the explosion on other countries follows a number of goals. One is that Bill Clinton intends to lower the domestic and foreign pressures. Also, by portraying the Persian Gulf region as turbulent, Washington tries to, as well as reasoning [justifying] its military presence in the region, sell more weapons to the governments located in the south of the Persian Gulf.

Therefore, the experts say that the White House places huge pressure on Riyadh to make the Saudi Arabian government change its views on the agents behind the Dhahran bombing.

Iran: U.S. 'Error' on Iran Stems From MKO's 'Fake Information'

LD0408202796 Tehran IRIB Television First Program Network in Persian 1654 GMT 4 Aug 96

[Unattributed Commentary]

[FBIS Translated Excerpt] As predicted, this week, too, the West's propaganda and publicity machinery raised a new hue and cry against our country and they once again accused the revolutionary and popular system of the Islamic Republic of Iran of terrorist operations, with the difference that, this time, they did not do so directly, but indirectly, using the writings of mercenary pens, and putting in the mouths of Washington's military officials the results of efforts by propaganda mercenaries in an attempt to suggest new insults and calumnies.

In reality, this time, on the first day of the week [beginning on Saturday], a new concoction of fake

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

propaganda was carried in Western mass media and, in parallel with reports about the remarks of the U.S. defense secretary, the sources and report used by him were also mentioned. [passage omitted] However, less than 24 hours after these remarks were made, suddenly everything seemed to change and the Persian section of American Radio [VOA] spoke openly of a retreat by the U.S. defense secretary. Yes, the Persian section of American Radio openly announced in its news bulletin this morning that William Perry had retreated from yesterday's position and had, so to speak, admitted his mistakes. [passage omitted]

Now, the main question is, why and for what reason did the officials of arrogance and, following them, the Western world's publicity and propaganda machinery become so confused and embarrassed, and why did they show such haste and thoughtlessness in dealing with various events and developments. There is no doubt that one of the main reasons for this must be sought in their mistaken methods and approaches in political and publicity arenas, especially so because, in making their new accusations, American officials resorted to using the writings of those sections of the press that published fake information from the hypocrites [Mojahedin-e Khalq organization — MKO] under the guise of confidential information; a mistake, in other words, that was not committed by any other government, even European governments. This is why, in fact, they [other governments] were not prepared to accept Washington's calumnies against Iran, despite the considerable insistence of Washington. [passage omitted]

At any rate, the U.S. Administration has fallen into an error that arises from the trust it places in counterrevolutionary [Iranian] grouplets, a mistake which — because of their extensive support for these grouplets — will rebound on themselves more than anyone else.

Iran: Tehran—U.S. Fanning Flames of Propaganda Against Iran

LD0408210096 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1952 GMT 4 Aug 96

[Unattributed Commentary]

[FBIS Translated Text] The state of alert of the U.S. forces stationed in the Persian Gulf to combat any possible attack, as well as America's decision to redeploy its forces in Saudi Arabia and evacuate the families of servicemen in that country testify to the extreme concern of the White House officials about the occurrence of more explosions.

Despite the announcement of the arrest and execution of the perpetrators of the recent explosion in Dhahran by the Saudi government, which announced that there was no connection between the arrested people and neighboring countries, the U.S. authorities, in order to justify the presence of their forces in the region, have pointed an accusing finger at the Islamic Republic of Iran after every explosion.

Political analysts believe that America's claim of Iran's support for terrorist groups is aimed at nothing but fanning the flames of the propaganda atmosphere against Iran inside and outside America and to incite public opinion against Iran. Because the way is thus smoothed for the American forces to remain [in the Gulf] and false replies are given to the criticisms from within America levelled at its foreign policies.

America's enmity toward Iran started after the establishment of the Islamic Republic system, because ever since Iran has played an active and independent part on the international and regional scene. For that reason the end of America's domination over Iran not only ended America's plunder of Iran's resources, but it also made it possible for many other countries to follow the policies of Islamic Iran and act against America to defend their interests. That has brought about America's ever-increasing hostility toward Iran and its attempts to deal blows to this divine system. But so far it has brought nothing but defeat for the ringleaders of the White House.

Iran: Radio Comments on U.S. Threats To Use Force Against Iran

LD0508161096 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1115 GMT 5 Aug 96

[Unattributed commentary]

[FBIS Translated Excerpt] Iranian Foreign Minister 'Ali Akbar Velayati, in a letter to the UN Secretary General Butrus-Ghali, has said that the recent threats by American officials to use force against the Islamic Republic of Iran were an act of disrespect to the UN Charter and international laws and principles as well as an obvious example of state terrorism. [passage omitted]

At the moment, the United States is facing a relatively new phenomenon of domestic terrorism and the aim of the current leaders in Washington is to divert public opinion from the roots of this domestic terrorism and transfer the crisis abroad to give some color or brilliance to the country's presidential elections.

Perhaps the U.S. politicians should be aware that such an unrealistic approach will allow the real terrorists

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to utilize the extensive and biased propaganda by American politicians and media against a particular country to act freely and strengthen the canons of their thoughts and activity.

It is obvious that a solution to terrorism needs a serious international effort and the Islamic Republic has repeatedly said it was ready cooperate internationally to uproot all forms of terrorism.

However, this does not mean that one country should be allowed to use instruments of terror to accuse another country of terrorism.

Such methods, i.e. accusing a nation of supporting terrorism, are an insult to the national sovereignty of that country, and in fact, the most advanced form of terrorism which aims to destroy the reputation of a nation in world public opinion.

Naturally, the recent threats and propaganda by U.S. officials on this subject violate international laws and regulations and no country will be safe from their negative consequences and the responsibility for this, as Iran's foreign minister has said, will lie only with the U.S. Government.

Iran: Commentary Views Clinton's Signing of Sanctions Bill

LD0508191996 Tehran IRIB Television First Program Network in Persian 1703 GMT 5 Aug 96

[Unattributed commentary]

[FBIS Translated Text] With Bill Clinton today signing and legitimizing a bill ratified by the U.S. Congress, he will impose penalties and secondary sanctions on non-American companies that invest in Iranian and Libyan oil industries. By giving global dimensions to the issue of the sanctions against Iran and Libya, the Republicans in Congress are trying to open a new front against him in the capitalist camp and place Bill Clinton in a more difficult position on the eve of the presidential election.

Under the above-mentioned domestic American law which — in the belief of all the officials and experts of the world, except the Zionist regime, is a clear contravention of international laws and regulations — foreign companies that invest more than $40 million per annum in the oil industries of Iran and Libya will be subjected to sanctions by Washington.

Of course, the Republicans and the Democrats, in spite of these shows of strength, share a common fear and a united view, that is finding a connection, no matter how imaginary, between the sanction policies and the phenomenon of terrorism. For that reason, in a speech on the radio about terrorism, after signing the above-mentioned bill, Clinton attempted to justify to the world Washington's unilateral actions and to find a way to alleviate the tension in domestic public opinion, which has resulted from the terrorist acts inside America, and rid the Americans of the unpalatable effects of dissatisfaction and pessimism resulting from the domestic crises on the eve of the presidential election.

Iran: Dailies Criticize Decision To Toughen Sanctions

LD0608143996 Tehran IRNA in English 0710 GMT 6 Aug 96

[FBIS Transcribed Text] Tehran, Aug. 6, IRNA — Two English language dailies Tuesday [6 August] editorialized on signing of the bill by President Bill Clinton which seeks to punish companies that invest in Iran or Libya's oil and gas sectors saying America's Western allies have announced their opposition to the bill.

The U.S. has again deceived itself by thinking that it can still convince its international partners to rally behind its unilateral moves, 'TEHRAN TIMES' wrote.

"While the U.S. used to be the only country capable of acting on its own without being held accountable for its actions in the international arena, it is now a pariah even amongst its Western allies," added the editorial.

The D'Amato bill, now signed into law, is intrinsically silly from the standpoint of international law, it said asking however, from the standpoint of implementation alone, how can a local law be enforced abroad?

It underlined that the D'Amato bill, from the standpoint of the least harm that it can do to the international community, will be setting up a dangerous precedent for the progress of international commerce.

"As U.S. presidential elections draw to a near [as received], President Clinton flouts his record as being a good manager of his country's economy. Resilient as he may be and notwithstanding his Whitewater troubles, deep inside Clinton actually suffers from insecurity in the face of a stalled Middle East peace process and the inability to deal with suspected terrorist countries" TEHRAN TIMES pointed out.

Referring to the accusations made against the Islamic Republic, the editorial concluded that the world should know by now where the true source of paranoia is.

Commenting on international developments following the disintegration of the Soviet Union in 1991, 'IRAN NEWS' wrote that since then Americans have tried to create a monster of Iran for the Persian Gulf regional

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

countries and succeeded in preparing grounds for their own presence in the region.

Under the pretext of an Iranian threat, the Americans wanted to fill a power vacuum in the world and in this region which followed the collapse of the Soviet Union, it said adding, the Americans knew very well that Europe would be the only hurdle in their way of fulfilling their dreams of having sole domination in the Persian Gulf region.

As to domination of the U.S. and wane of European influence in some Persian Gulf littoral states, the editorial said, "Still; Europe could establish relations with Iran as a strategic ally which owns the entire northern side of the Persian Gulf. The factor which was, and is, hard to digest for the Americans who still entertain the far fetched notion of regaining their lost influence in Iran."

Europe's reaction to the American sanctions against Iran is welcomed in Tehran, it underlined concluding, Iran, now expects more and speedy constructive dialog with Europe to promote further healthy politico-economic ties with all the members of the European Union.

Iran: Commentary Highly Critical of Sanctions Bill

LD0608150496 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0955 GMT 6 Aug 96

[Unattributed commentary]

[FBIS Translated Excerpt] U.S. President Bill Clinton, the president of the USA, yesterday [5 August] signed the bill authorizing sanctions against non-U.S. firms investing in the oil and gas industries in Iran and Libya. [passage omitted]

President Clinton's remarks yesterday at George Washington University about terrorism, show that the United States is facing numerous domestic political problems which have made the fulfilment of the American dream more remote than ever and which have even raised, for Washington's political leaders, the question of the possible disintegration and division of that country. It is, therefore, not surprising that, under these circumstances and in order to face this phenomenon, including the pernicious domestic terrorism which is one of its manifestations, the White House authorities link the roots of the crisis to foreigners and, by formulating unilateral sanctions, try to compensate for their own failures inside the country.

Moreover, the United States considers that its position as a superpower is being jeopardized from every direction. Therefore, it tries to use every means and method to preserve this fragile position so that, first, it may remind European countries, once again, that it is a world leader and second, so that it may stifle the freedom-seeking cries of other countries in the international system.

Moreover, many analysts are saying that U.S. unilateral sanctions against countries such as Iran, are political moves with economic goals. These analysts think that Iran is a traditional U.S. market in the Middle East and the biggest economy in the region. However, since, under current circumstances, it is not possible for the Americans to benefit from this market, they try to impose secondary sanctions, prevent foreign investment, and, thus, close the door to Europe and other economic powers. It is evident to the dynamic economies of Europe and Japan that investment in countries such as Iran is infinitely more important than the interests which America is trying to safeguard; and Europeans clearly know that if they weaken in a case such as this, they would have to surrender unconditionally to America's excesses on the eve of the third millennium.

Iran: American 'Arrogance,' Arab 'Humiliation' Claimed

96LA0215A Tehran KAR VA KARGAR in Persian 4 May 96 p 7

[FBIS Translated Text] Last week U.S. President Bill Clinton, who chose the U.S. World Jewish Congress last year as the place to announce the embargo against Iran, addressed Jews at a similar meeting. He said: A time of peace has been achieved in the Middle East, in which the Arabs officially recognize Israel's military superiority.

Although it is not clear whether such a clear tone is an indication of American arrogance or a humiliation of the Arabs, experts believe that one can take that remark as a way of avoiding acceptance of the recent defeat suffered by Washington and Tel Aviv in Lebanon.

The support of the Americans for the Israelis is clear and needs no evidence or reasoning. Had it not been for this comprehensive support in 1967 and 1973, the Arabs would have left nothing of the Israelis.

The question is, why under these circumstances did Clinton put political considerations aside and speak so clearly of Israel's military superiority over the Arabs? The answer must be sought in the Zionist regime's 16-day war with the Hezbollah.

In the 16-day war against the Hezbollah, which is a resistance force and not an army, the Zionists achieved no military success other than the slaughter of civilians.

The Americans were also defeated in their effort to impose their plan, as opposed to the French European plan, and these changes show that the Middle East has more confidence in Europe than in America.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Experts in the results of the Zionist 16-day war against civilians in Lebanon, which ended with the killing of more than 200 civilians and making thousands of Muslims in south Lebanon homeless, make the assessment that first, the prominence and popularity of the Hezbollah as a genuine resistance force among the people of Lebanon and the Muslims and also the Arab nations has been confirmed; second, the anger and contempt of the Muslims and especially the people of the region towards the Zionists has increased; third, public attitudes in the region under the influence of the treaty and the essential nature of the peace slogans of the Americans and the Israelis have become clear; and fourth, this war has led to an activation of the Europeans and the acceptability of joint efforts by the Europeans, the Syrians and Iran in the region.

An Arab thinker, who did not wish to be named, said in this regard: We have tried for years directly and indirectly to make the Arab leaders and heads of state understand that the friendship of the Americans does not come from the heart, and we have cried out that compromise by the Arabs with Israel is a compromise between sheep and wolf.

He says that now one must wait and see whether this devastating war against the Muslims of Lebanon and Clinton's haughty words will make the Arabs, some of whom are competing with one another to compromise with Israel, stop and think.

Iran: Movement To 'Discredit' Revolution Figures

96LA0214A Tehran KAR VA KARGAR in Persian 5 May 96 pp 1,2

[FBIS Translated Text] News Service—The MacFarlane episode is being published. We have heard that suspicious elements are planning to translate the episode about MacFarlane, national security adviser to U.S. President Carter, and to publish it along with some additional material.

It is worth mentioning that the Carter government intended to meet and talk with officials from the Islamic Republic of Iran through MacFarlane during the time when the imposed war was still under way. According to a scenario devised by officials of the Islamic Republic of Iran at the time, part of this episode was used in the interest of the Islamic revolution and the government and to America's detriment, and this ultimately led to humiliation for the U.S. Government and revelations of internal discord within it.

During that time the deviant Seyyed Mehdi Hashemi, who was apparently in line with some of the nation's political factions, set out to stir up public opinion against the Islamic Republic of Iran, and they diverted back into Iran an episode based on prior plans made by officials from the Islamic Republic to act against America and its government. During that time the late imam (peace be upon him) dealt with this issue with his insight and keen vision, and many people know about the 10-person episode (!) and those in the "putsch."

Of course it is not clear to us who it is that intends to do such a thing! However, a movement is afoot to discredit some of the prominent figures of the revolution, and to make dark and mysterious the general mood of the revolution by establishing an ambiguous atmosphere in society.

Of course this activity is raising issues whose discussion would have been considered counterrevolutionary until a year ago, but today these subjects are being discussed in public talks at centers where it would not be expected. In our view, these people could be like those behind the episodes we have seen before, or they could be a combination of deviants and naive people who have been fooled. In any case, this matter is a violation of an area of sanctity, and it steps over a line that should not be crossed.

Iran: Mubarak's New 'Mission' in Region Criticized

NC0408124196 Tehran JOMHURI-YE ESLAMI in Persian 24 Jul 96 pp 1, 16

[Editorial: "Biopsy on Netanyahu's Policy"]

[FBIS Translated Text] "Undoubtedly the statement by Egyptian President Husni Mubarak — who is also considered to be the undisputed leader of the Arab world — that Netanyahu is a man of peace and that an agreement can also be reached with the new Israeli Government has helped to calm down the Arab world and to put the minds of many of the Arab leaders at peace." While making this comment on the recent developments in the region and on the repercussions of the coming to power of the war-mongering Likud government in occupied Palestine, Radio Israel claimed that apparently "no one doubts the fact that not only the Arab countries want peace with Israel, but they are also willing to establish vast economic and commercial ties with it and to benefit from Israel's know-how for their own development and welfare."

What Israel's state radio and other Zionist mass media in the four corners of the world are propounding as a round-up of the developments in the past one and a half months in the Middle East is precisely the same, but with different wording and phrasing. But all of them pursue one objective: haggling, as much as possible, with the Arabs to achieve compromise that will cost as little as possible for Israel.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

With the coming to light of Netanyahu's objectives and plans, not much room for doubt remains about the fact that the rival and influential parties within the Zionist system do not differ from one another in strategy but only follow different tactics in order to achieve, as quickly as possible and at as little cost as possible, peace with the Arabs. And Netanyahu overtly states that:

1. The Likud government does not believe, in the least, in the land-for-peace policy but thinks about peace in exchange for peace. He and his associates and co-thinkers explain that "it is not only Israel that needs security but also the Arabs who need and can benefit from peace and security, like Israel and not any less than it, and that from now on Israel will ignore the Arabs' demands for 100 percent of the land from Israel in exchange for zero percent of the security."

The clear meaning behind these words that describe Tel Aviv's new policy is that being confident that they no longer face the problem of peace and security and that the Arab countries do not threaten them, the Israelis have even altered the very gist of the issue and represent that apparently "the problem of Israel's legitimacy has been solved and the Arabs need to use Israel's know-how in their development and progress."

2. The main pillar of Netanyahu's policy is based on the fulcrum of confirming Mubarak's allegations of leadership over the Arab world. Thus, the truth behind all previous forecasts about Mubarak's secret contacts with Netanyahu to draw the Arabs to the negotiating table with Netanyahu is actually confirmed. These days the Zionist mass media refer to Mubarak as the "undisputed leader of the Arab world" and overtly laud his role in calming down and containing the anti-Israeli feelings in the Arab world and in overcoming doubts toward the war-mongering Likud government.

This hasty step by Mubarak has been taken precisely within the framework of a new mission that the Likud government has assigned the Camp David regime in Egypt. Let us not forget that during the recent months and especially after the Likud Party came to power, the view that Egypt has apparently reviewed its policies was put forward. Even the fact that the Arab summit was convened in Cairo was assessed as a move that showed that Egypt was coming closer to the Arabs and was moving away from Israel. But it is much easier to prove today than it was in the first days after the formulation of Israel's new policy in the region that not only has there not been the least bit of revision in the Camp David policy of the Cairo regime, but Mubarak has become more dependent on the Zionists and he and his regime have been assigned a new mission in extinguishing the flames of the Arabs' wrath toward Israel's policies and bringing them back to the negotiating table.

It may be necessary to refer to a subtle and, at the same time, complicated point here. Saying that the more the Cairo regime moves away from Israel, the closer it is moving to the Arabs and to the Islamic world does not mean that Cairo's efforts for a rapprochement between Egypt and the Arabs and the Islamic world proves that Egypt is distancing itself from the Zionists, because — by coming close to the Arabs and the Islamic world — the Cairo regime is trying to work as a "catalyst" to prepare the way for a rapprochement between the Arabs and the Islamic world with the Zionist occupiers and, first and foremost, to cover up the indecency of rapprochement with the Zionists.

Understanding the subtleties and the complicated nature of this phenomenon will help the Arabs and the Islamic world to refrain from a shallow and naive assessment of the dimensions of the new mission that has been assigned to the Camp David regime of Egypt and to take into consideration the serious, sensitive, and determining point that any hand that shakes the hand of the Cairo regime's leaders is actually shaking the hand of the Zionist regime through a mediator and thus removing the indecency of relations with the Zionists — something that will give the occupiers the opportunity to alter the main issue and to claim that apparently it is the Arabs who need peace with Israel and that the Arabs' need is not less than the need of the occupiers for peace.

But is this the truth? Possibly the Zionists may want to re-invest in the Camp David regime in Cairo and on some inauspicious Arab heads. But in practice and by assessing the outcome and repercussions of Netanyahu's hasty visit to Cairo it has been revealed that compromise with the Zionist occupiers has no roots in Egypt; that the Camp David regime in Cairo lacks the necessary popular backing at home and in the Arab world in order to be able to portray compromise with the savage occupiers as a "regional strategy"; and that — with its efforts to come closer to the Arabs and to the Islamic world — its wants to bring them closer to Israel and to remove the indecent nature of compromise with the terrorist Zionists. Both the Cairo regime and the Zionists are very well aware that compromise with the Zionist occupiers never has and never will enjoy popular support.

This is the most serious impact that the world movement of Islam has had in thwarting the Zionists' expansionist policy and in containing the repercussions of the treason perpetrated by terrified Arab regimes. And this is what

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

will continue to play a major role in the vast scene of confrontation with the savage occupiers.

Iran: Press Criticized for Mistakes in Report on PRC Loan

NC0308140696 Tehran HAMSHAHRI in Persian 28 Jul 96 p 4

[Unattributed commentary: "'Highway or Metro?'—In the Margins of Yesterday's Reports in the Tehran Press Regarding the PRC's Loan to Iran"]

[FBIS Translated Text] Yesterday, most of the morning and evening newspapers published a report citing the Central News Unit, regarding the agreement by a syndicate of 14 Chinese banks on investing and constructing $270 million worth of highways in Tehran and all over Iran. According to the report, the actual source of which was AFP, the Chinese will provide the materials required for the construction of two highways.

The perusal of such a news report in the Friday evening papers initially generated a feeling of immense ambiguity and raised questions in the minds of our colleagues as to why the tenders were awarded to a foreign firm when there are dozens of domestic companies with the capability of constructing of highways. However at second glance, and after referring to AFP, the original source of the report, it transpires that the loan extended to Iran by the PRC banks — and this is very important — is for the construction of the famous metro project and for the purchase of equipment and rolling stock.

Here, due to the relative importance of the news in inadvertently casting aspersions on the credibility of the domestic highway construction companies, and the habit of relative mistrust toward indigenous production, are the two points or reasons for this friendly gripe about our press colleagues.

First of all, why did the Central News Unit, which is a reliable national news source, not pay meticulous attention to the correct translation of the original report and render "metro" as "highway?" Second, why do our press colleagues not question such reports themselves, considering it was only 10 days ago that the esteemed president announced during the inauguration of the construction operations of the Karbala' project that we are ready to export Iranian engineering know how and sign major contracts?

Unfortunately, such news reports are not particularly rare in our press. What is even more regrettable is that some of our high-level officials also aggravate the situation. It was only recently that one of the Tehran morning newspapers cited the respected commerce minister as saying that one-third of the country's foreign exchange earnings are obtained from carpet exports. The fact is that these account only for one-third of the non-oil earnings. However no one even bothered to correct the report later.

Since the press has a momentous and decisive role to play in directing public opinion in our country, such reports are bound to have a massive effect on the minds of people who are intelligently following the developments and who compare opinions and events. A little more precision would help in preventing errors and misconceptions.

Iran: Embassy Denies Iran Seeking Nuclear Weapons Components

LD0508225296 Tehran IRNA in English 2040 GMT 5 Aug 96

[FBIS Transcribed Text] Moscow, Aug. 5, IRNA — The embassy of the Islamic Republic of Iran in Moscow, in a statement on Monday [5 August], denied reports by a Russian newspaper, accusing Iran of trying to acquire nuclear weapons components. SOVETSKAYA ROSSIYA (Soviet Russia), in a recent issue, citing Israeli sources, has accused Iran of quest for components of nuclear weapons.

In the statement, the embassy emphasised that Iran, unlike the Zionist regime of Israel, has been one of the first signatories of the non-proliferation treaty and one of the active members of the International Atomic Energy Agency.

The embassy added that the Zionist regime embarks on such lyings while it has not yet allowed inspection of it's own atomic facilities. Believing in the need for peaceful use of nuclear energy, the Islamic Republic of Iran, has been asking the United Nations Organization since years ago, to see into the Middle East [as received] to be announced a nuclear-free zone, the statement concluded.

Iran: Khamene'i on Teachings of Islam

LD0308152596 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1018 GMT 3 Aug 96

[Speech by Iranian leader Ayatollah Seyyed Ali Khamene'i at an audience with heads of the three state powers on the occasion of Prophet Muhammad's birthday in Tehran on 3 August — recorded]

[FBIS Translated Excerpt] In the name of God, the merciful, the compassionate. I would also like to congratulate this auspicious occasion; that is, the birth anniversaries of the esteemed prophet of Islam and His Holiness Imam Sadiq [sixth Shi'i imam], peace be upon him. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The auspicious birth of our prophet was in fact one of the loftiest manifestations of God's blessings. In other words, the Almighty in fact bestowed an immense blessing upon all of us when he sent us this great messenger. [passage omitted]

If the contemporary world only realized the depth of the blessings brought about by the prophethood of Muhammad, and if it tried to quench its spiritual thirst by drinking the sweet nectar of this blessing, it would be able to resolve some of its greatest ever problems. [passage omitted]

Today, humanity needs Islam's spirituality, sincerity, and monotheism, as well as its clear principles, which are understood and accepted by any fair-minded person. It also needs Islam's spirit of fraternity and its opposition to tyranny.

It is for this reason that the call of Islam has found supporters all over the world. Even many non-Muslims have accepted and embraced this call. This of course does not mean that they have formally joined the religion of Islam, but accepting the call is certainly an important stage within the whole process. [passage omitted]

The message of Islam is without a doubt very attractive. It is precisely for this reason that the global arrogance and the world propaganda organs, which are affiliated to the international sources of inhumanity, thuggery, and oppression, have adopted such a violent attitude to the message of Islam.

Ever since the Islamic republic system, which demonstrated the realization of Islam in the life of a country, the realization of Islam's political proposals, became a reality in the world and the Islamic republic was created in Iran, hostility toward Islam and Islamic values redoubled by the tyrannical and arrogant powers at global level. While Islam is there in the mosques, while Islam is there in the hearts, while Islam has not stepped in the arenas of politics, struggle, government, and vast international arena, the centers of global tyranny and tumult will have no sense of danger from it to seek to challenge it and struggle against it. Ever since the Islamic system hoisted its banner of government in this country and Muslims all over the world responded to the call by our late great imam [Ayatollah Khomeyni] — may God be satisfied with him — expressed interest and cordiality toward it, numerous groups moved in that direction and the slogan of the revival of Islam became a daily slogan for Muslims, the hostility grew further.

What I would like to say at this period, this week [Unity Week], and this great birthday is that first, Muslims must value this seething springhead of blessing; and the enemy's propaganda, the hostile attitude of global arrogance and the provocation by the global arrogance must not divert them from that shining truth.

The second point is that since the global arrogance felt that this truth has taken position in Iran, has become permanent and established, it realized that it will not be able to eradicate this movement, this edifice. So it began another tack in its hostile efforts: it tried to separate the Muslims of the world from this revolution, this nation, and this tremendous and wise leader, whose greatness was acknowledged by the world. The separation of other nations from the Iranian nation; the separation of the fertile grounds of Islamic life from actual and existing movement which could be an encouragement to them [other nations] these were placed on their agenda. [passage omitted]

Unfortunately in this some governments were totally deceived, duped. They fell into the trap prepared for them. Global arrogance wanted to make them the enemies of the Islamic republic system. Some governments intelligently realized that and did not allow the wishes of the global arrogance to be carried out. But some governments heedlessly fell into that trap set by the arrogance. That was at government level.

At the level of nations, they promote problems for, and differences between, schools and cults. Differences between Shi'i and Sunni schools. Differences on religious beliefs. They coerce or pay some people to write books against Shi'ism or against the religious beliefs of the Muslim nation of Iran. They have written many books. And they have coerced another group of people to respond to these criticisms, in their own language and through their own type of denunciations. Both groups are, unfortunately, tricked. This is our problem today.

Dear ones! In the world of Islam, there are pseudo-clerics who stand in a distant country and who attack one of the branches of Muslims in their sermons instead of attacking the United States or Israel, instead of attacking the enemies of Islam, or attacking faithlessness and arrogance. This is not a simple and spontaneous act. This is related to the revival of Islam. Those who who insult the sacred beliefs held by one of the Islamic schools are following the articulated intentions of global arrogance.

One of the obvious and defined aims of arrogance is to create divisions among Muslim peoples and the Iranian nation. They have, and continue to work, on this. They have policies on this. They spend money, around the world and, unfortunately, inside Iran for this purpose. There are cases in Iran. But they know that in Iran, Muslim brothers, both Sunni and Shi'i, stand shoulder to shoulder, in a united front, under a single flag and with

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a single motto. When, during the imposed eight-year war, people wanted to defend the territorial integrity of this country and the Islamic borders of this country, no one asked them about their school, their tribe, their religion, their accent, their language. From every corner they came and together they fell. In Iran, the revolution has created unity and fraternity, in the true sense of the word, among the various schools, various accents, various tribes. Well, arrogance is resentful of this fact. Therefore they make a problem for each group. They choose the misled and the simple in each group. They teach them something that they are to repeat. We have to be careful. We all have to be careful.

Anyone who helps the arrogance with this aim, the aim of separating the Iranian people from other peoples and countries, will be, in the eyes of God, the enemy of Islam and Muslims and among those who fought Muslims, at the time of prophet and later. [passage omitted]

Those who support the aims of the arrogance against Iran are like the people who fought against divine verses at the time that Islam was revealed.

Today, there is a movement toward Islamic revival, toward the revival of abandoned laws of Islam and the Koran. This great movement has taken shape and Muslims everywhere want to follow it. Look at the Islamic countries in the east and the west, and you will see it. But the global arrogance, the United States, various conglomerates and the holders of power and wealth want to prevent Iran, because, it has not and will not surrender to wealth and power. The country standing against arrogance is Islamic Iran.

You should appreciate the value of the Unity Week, which is commonly respected by all Muslims. Everyone should try to maintain the unity, the unity of Islamic forces in a single front. The secret of satisfaction and honor for the Muslim nation is this. This is the greatest weapon in the hands of nations against global arrogance. Everyone should understand this and respect it.

I hope that, God willing, the imam of time will bless the devotees of this path, that all Muslims will be successful in the world, that Muslims will act according to the teachings of the Koran and that the unity that has always been desired by the great Islamic personalities, from the early days to the present time, will be realized.

Iran: Rafsanjani Hails Victories of Islam on Muhammad's Birthay

LD0308132896 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1010 GMT 3 Aug 96

[Speech by Iranian President Hashemi-Rafsanjani at an audience between Ayatollah Khamene'i and heads of the three state powers on the occasion Prophet Muhammad's birthday in Tehran on 3 August — recorded]

[FBIS Translated Excerpt] On the auspicious anniversary of the birth of the last messenger of God, the prophet of unity and justice, his excellency Muhammad Mustafa, may peace be upon him, as well as the birth of his excellency, Ja'far al-Sadeq [the sixth Shi'i imam], today, the heads of the three branches of the state, a group of officials, clerics, and foreign personalities participating in the international unity conference, were privileged to meet and congratulate his eminence, Ayatollah Khamene'i, the guardian of Muslims. At the meeting, President Hashemi-Rafsanjani spoke and this was followed by a speech by the guardian of Muslims. [passage omitted]

[Rafsanjani] In the name of God, the compassionate, the merciful. On behalf of those present, I congratulate the great and dear leader on this blessed occasion. The presence of great Islamic personalities here, on the occasion of the Unity Week and at your presence, brings hope to the heart of the Islamic community that the victory of the Islamic revolution in Iran will revive the sacred message of the blessed origin of the prophet of God, and will find a new life, suitable for the contemporary age, for the matters that were silenced for centuries. Praise God that we clearly see today the signs of this success and the reasons for this hope. The secret message of the sacred birth of the holy prophet manifested itself in the cracking of the Kasra Palace [the seat of the Persian empire], the disappearing of the fires at [Zoroastrian] temples, and a ban on devils entering the sacred heavens. But today, we see the sign of the message in the battle against the present despot and the monopolistic power of the United States and its stooges. The battle against injustice and cruelty has been registered in history as the very message and tradition of the birth [of the prophet].

Today we see the sober presence and voice of Islam in the international community, and every day there is good news from Iran for the seekers of justice in the world. The true and historic mission of Islam is the sacred goal of our revolution, which began through the brilliant ideas of the late imam and continue to be strengthened through your excellency's shining

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

thoughts. Praise God that despite the pressure and the bias, we have found the true path in all fields. In the field of politics, the voice standing against the despots of the world is heard from here and nourished by our Islamic and humane culture. The motto of independence, the unachievable and cherished dream of suppressed nations, has now been realized in Iran. The victories achieved in the fields of defense, reconstruction, and construction in the country have brought about rays of hope in the hearts of God's people.

Our youth, the vanguards of the revolutionary generation, have radiated brilliantly in great Olympiads around the world and have taken the first place in the field of chemistry in competition with advanced countries. Our industrial exhibitions are dazzling around the world. And particularly today, there has been the meaningful event where the the flag of the Islamic Republic of Iran was raised in the house of Satan through the resolve of a pious youth, Rasoul Khadem, despite all the mischief by the Americans to prevent this historic event in Atlanta. In this way, God has delivered our message to all the despots around the world. I congratulate you excellency and our nation for rubbing the nose of America in the dust and for beating the nine-medalled Russian champion. Victory against two superpowers in a single exhibition.

I hope that through people's resistance and through the selflessness of the selfless, which are our guides in life, we shall achieve greater victories in all domains, particularly in expanding the teachings of Imam Sadiq, whom we serve. It is best that the honorable audience and our people hear the great and wise leader speak on relevant issues. Peace and blessing upon you.

Iran: Daily Views Iran's 'Successful Diplomacy'

LD0308111796 Tehran AKHBAR in Persian 28 Jul 96 p 2

[Viewpoint by Bijan Ashtari: "Iran's Successful Diplomacy"]

[FBIS Translated Text] Last week, the Americans ratified a bill affecting Iran and Libya, and so took another step against our country and in practice gave a new depth and intensity to their hostile behavior toward the Islamic Republic of Iran.

European countries, however, consider this bill to be unacceptable. They have also stressed that the West needs to adopt a joint stance toward the issue of U.S. sanctions. European governments have now become more aware than ever before of America's despotic and domineering attitude on the international arena, and have apparently strengthened their resolve to confront these measures which clearly contravene international economic and political norms and conventions.

However, the question is: Under the present state of affairs, what is our duty as a country which has been targeted by this hostile attitude? To find a correct answer, it seems that first of all one has to identify and analyze what objectives America is pursuing by these moves.

Americans are really counting on the possibility that the announcement of extensive economic sanctions on Iran would in all likelihood force the Islamic Republic of Iran to indulge in acts of extremism and possibly adopt defensive postures. This is precisely what the Americans are after.

At present, thanks to the positive policies of our president and government, the situation in the Persian Gulf is increasingly moving toward equilibrium, stability, and tranquillity. Therefore, the Americans need to create tension in the region first, in order to justify their military presence both on the waters of the Persian Gulf and in the Arab littoral states, and second in order to continue selling billions of dollars worth of weapons every year to the Persian Gulf littoral states. In reality, at the present juncture the Americans are more intent than ever before on bringing disequilibrium to the region, or at least on giving the impression that the region is suffering from this malady.

Undoubtedly, in recent years the policies of the government and system of the Islamic Republic of Iran (formulated on the basis of boosting cordial ties with regional countries), have become America's greatest cause of concern. We recently witnessed useful and fruitful meetings between our president and the Kuwaiti and Qatari foreign ministers. At these meetings, the president placed a particularly strong emphasis on the importance of maintaining stability and tranquillity in the region.

Naturally, the Americans cannot be very pleased when such stances are announced and such wise approaches are adopted. For years they have been trying to create the impression in the region that the Islamic Republic of Iran is nurturing expansionist objectives. Clearly, if the acceptance of this wrong notion by the regional states were to come under threat, it would not be long before America would no longer have any excuse or justification for continuing its presence in the region.

It was for this reason that America had no other option but to fire its last hopeful bullet at Iran and the region as a whole. They are now impatiently awaiting for nervous, emotional, or possibly angry responses; a type of response which, according to their calculations, could

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

prove that "Iran poses a serious danger to peace and stability of the region and the world."

It seems, therefore, that the best way of countering the new American ploy is to resort to these methods:

1. Avoiding any extremism [tondravi].

2. Boosting friendly ties with European countries and proving that Iran not only poses no threat to international peace, but in fact supports and upholds peace in the world.

3. Cooperating with others to resolve regional and international crises. We have recently seen two examples of such an approach: first, cooperating with France to end the massacre of the people of southern Lebanon by the Zionist regime, and second, helping Germany's mediation to secure the release of Lebanese combatants held captive by the regime occupying Jerusalem.

4. The expansion of friendly relations with the Persian Gulf littoral states and making if indisputably clear to the leaders of these countries that Iran has never had interventionist intentions, but is instead ready to cooperate with them in all fields, on the basis of mutual respect, peaceful coexistence, and nonintervention in the one another's affairs.

These methods would certainly totally disrupt America's recent ploy. We should not forget that the safeguarding of national interests is a priority in our latest round of confrontation with America. Fortunately, the new circumstances are such that by resorting to the weapon of diplomacy, we can keep our country's national interests safe and immune from any harm.

Iran: Velayati Interviewed on Regional, International Foreign Policy

LD0408151996 Tehran IRAN in Persian 31 Jul 96 p 10

[First of two installments of interview with Iranian Foreign Minister 'Ali Akbar Velayati; place and date not given: "Interview With Velayati: How Can The Achievements Be Protected?" — first three paragraphs are IRAN introduction]

[FBIS Transcribed Excerpt] Recent developments in the Middle East and the growing trend of diplomacy motivated IRAN to have a roundtable discussion with Dr. 'Ali Akbar Velayati, who, for almost 15 years, has been responsible for conducting Iran's foreign policy and diplomacy. However, we did not limit the discussion to that issue and brought up other subjects that face Iran's foreign policy.

The foreign minister, in this exclusive interview, which lasted nearly two hours, spoke about the successes of Iran's foreign policy, the trend of talks between Iran and the European Union, as well as the most important issues concerning the Middle East.

The complete text of the interview can be read in two parts in today and tomorrow's editions.

[IRAN] Dr. Velayati. Iran's diplomacy in the past decade has achieved many successes in various fields which, perhaps, in certain cases has provoked the displeasure of some regional states or world powers. Do you think this success will last; is it a factor that makes this grow?

[Velayati] Whatever effort you undertake, particularly in sensitive tasks, if you gain anything, then when you achieve something, that is a success. But it is more important to protect that achievement. Sometimes, it is more difficult to protect a political achievement than to set it up. [passage omitted]

There used to be a contest on the radio where for any correct answer the contestant was given some money and for any incorrect one, money would be taken away from him. It was called: It is easy to make money but difficult to keep it. That is true in all aspects of life. As far as foreign policy is concerned, we are not saying that achieving success is easy, but the more important task is to protect it. The reason for that is quite clear and rational, since before you embark on your enterprise, you do your job with a certain amount of discretion so as not to alert your enemies. But as you embark on your task, the enemies become alerted and try to subvert you and prevent your progress. Therefore, protecting the achievements and continuing them is more difficult.

A case in point is Afghanistan. The Islamic Republic of Iran is truly making great efforts in Afghanistan, in foreign policy, domestic policy or the relief sector. Anyhow, our government and people offered much help to the people of Afghanistan. If after many years of hard work and trouble for assisting with the settlement of the Afghan issue we neglect Afghanistan even for a short while, it is certain that those who do not wish the Islamic Republic of Iran to play its positive role in eliminating Afghan problems and who pursue their own agenda will disrupt our work. That is the same in Tajikistan, in Palestine, the Indian sub-continent, Bosnia, Karabakh, and the Caucasus. That is why we must try to protect what we have achieved, and it is also necessary for us to make fresh strides. That is because, in these new strides, the enemy has not yet guessed your hand and one can make swift progress.

[IRAN] Iran's foreign policy is moving toward a point of calm and stability. Some countries do not like such policies and intend to depict Iran's foreign policy as one

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that wants crises. Many are keen to portray the Islamic Republic of Iran as such. Will this tendency and move of ours regarding the settlement of regional crises be pursued and expanded in the future?

[Velayati] What the people of the world rightly like are constructive activities of policies, rather than the activities of destructive policies. Islam, which is the working substance of our policies, is a "constructive" policy. Although throughout history the sword of Islam has been ready to defend the sanctity of Islam, during these 1,400 years Islam's role has been "constructive." Iran, as a country that is the focal point of Islamic activities and policies, has shown throughout history that it has enjoyed this position all along. Humankind's nature has a bond with peace, security, and constructiveness rather than with war and homelessness. Those who spread propaganda saying that Iran's efforts are aimed at creating crises are trying to find an excuse to put pressure on the Islamic Republic of Iran. That is why our propaganda efforts must point out that what they are saying against us is wrong and then prove the opposite of what they say. As you saw yourselves, Richard Murphy, in his recent article in the CHRISTIAN SCIENCE MONITOR, stated the realities of Iran's foreign policy. Murphy said — that is, our understanding of what he said is — that U.S. policy toward Iran is beset by illusion. They propagandize, but Iran continues its work without paying any attention to their propaganda. The complexity of that policy has paralyzed the United States vis-a-vis Iran. There is a saying that is close to that context, which is: The best testament is that which comes from the enemy. [passage omitted]

That is to say, in truth — while we feel obliged to respond to their baseless allegations as necessary — their propaganda and hullabaloo do not prevent us from carrying out our essential tasks.

[IRAN] Richard Murphy has made another point also, which is the time has come for a review of relations between Iran and the United States. That is, he has suggested the thought by asking whether the critical dialogue that is going on between Iran and Europe can be imagined between Iran and the United States, and using this model change the blind spot that exists in relations between Iran and the United States to a point of review and reconstruction. Of course, the Americans have always been keen to negotiate, as Bill Clinton recently suggested. Are we still standing on our precondition or is there any likelihood of raising other points, bearing in mind the developments that we are witnessing on the U.S. scene?

[Velayati] This is our most natural expectation from the Americans, and it has been repeated time and again by the respected president and other authorities. This is not just a formality. They do anything against us and then invite us to negotiate. Of course the door is not closed on negotiations. The Iranians and Americans are negotiating in The Hague over their disputes. That demonstrates that eventually the two sides have somehow agreed to talk. The talks are the ones going on in The Hague. Thus, the door to negotiations is not totally closed and talks do take place. However, if they imagine that by putting pressure on Iran, imposing sanctions, and labeling and spreading propaganda against Iran they can force Iran to surrender, then that is a strategic mistake the Americans are making, which has been repeated many times.

In their policies in this region, the Americans are sometimes beset by certain backwardness when they sit down and carry out baseless analyses to explain what has happened. For instance, their recent failure in the events in Lebanon. The Lebanese incident was America's total defeat. I mean, if we want to say which country suffered the greatest blow and the most serious defeat, then that country is the United States. They wanted Peres to win but he did not. They wanted to make Hezbollah disappear from the Lebanese political scene, but it turned the other way, that is Hezbollah today has a more prominent role than before. That is the defeat of America's policy. That demonstrates that they do not understand the region. "No one can solve a problem without knowing what the problem itself is."

In the first place, there are the contradictory and reactive statements. At the beginning of the event they bluntly said: What does Iran have to do with events here? Eventually, after much toing and froing between Damascus and Tel Aviv by Christopher, he had to confess in an interview that Iran plays a crucial role. The recent attacks in Lebanon and the exchange of the dead bodies and captives was a most valuable act, and all admitted that Iran plays a very important role. These are signs of the strength of Iran's influence in the region as well as its correct insight and its power to implement its wisely thought-through policies.

[IRAN] Talking about Lebanon, let us ask a question on this issue. Following the elections in Israel, a tendency grew at first, saying that this is an extremist faction and to a certain extent is opposed to some of their earlier slogans. Then we saw the Arab summit being convened and it seemed that the Middle East peace process was beset with crises. The two sides confessed to that. After these developments we had the Zionist regime's prime minister visiting the United States and then Egypt. In fact, last week we saw a series of activities in the region: The U.S. Administration's envoy, the French Government's envoy, the special envoy from the regime

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that occupies al-Qods [Jerusalem], the shuttling back and forth to Syria by the Egyptian foreign minister and vice-versa are signs that show a series of political activities. How do you evaluate them?

[Velayati] Recently a European delegation was visiting here. We had a long discussion with them and I told them that what we had predicted for the past three years in our talks with the Westerners and Europeans has come to pass. I told them that we used to tell you that the Middle East peace plan between the Arabs and the Zionists would not succeed and could not settle the Palestinian problem, and we used to give the reasons for that. What has happened now is almost what we had predicted. You can refer to the minutes of the talks between the European representatives and us and see that we were raising the same problems and the same ones came to pass. I read in the news an apparent quotation from Egyptian officials to the effect that the new Zionist government has returned to the beginning of the talks. That is as if the Madrid talks did not take place and no agreement in principle has been reached. The show that the Americans put on in Washington gathered people from all over the world, 'Arafat and Rabin shook hands, and all applauded and celebrated the so-called peace. Instead it turned out that the new government does not accept any of that. After all, that agreement, despite being abject and most humiliating, had some elements. The new government rejected all those elements.

It was agreed that the construction of settlements will not continue, but it did. It was agreed that they should withdraw from the Golan, but they said they will not. It was agreed for them to withdraw from southern Lebanon; they said that they will not. It was agreed that they should not change the status of Jerusalem; they said that Jerusalem is the Jewish capital. It was agreed that they should give some authority to 'Arafat's administration; they said that we do not recognize an autonomous "Palestine" government.

Well, the new government has said all that, the U.S. congressmen have given the Zionist prime minister several standing ovations, and he has failed to make any changes — either there or any other place — to the policies he had announced before the elections, yet their envoys visit Arab countries or he himself travels to Arab countries or the Arabs visit there. These show that he can do what he likes. The problem is that the prime minister of the Zionists has come and changed the strategy of exchanging land for peace and said: "peace for peace;" he bragged and strutted his power and travelled to important places of the world, such as the United States, and no one even troubled him. He was welcomed in Arab states. He will be saying to his domestic public opinion: "Do you see that although we have taken back a lot of the unfounded concessions (in their estimation) given by the former government, we are still respected and loved. Therefore, there is no pressure on us to change our policies."

This truly is a tragedy. The Arab states decided in Cairo that until Israel changes its approach, that is, accepts the so-and-so peace plan, we are not going to be cheerful toward Israel. The Zionist regime failed to make any change, but they were cheerful toward them; which means the neutralization of those same Cairo talks and their half-baked results.

We do not, therefore, regard with any optimism the future of the Arab front vis-a-vis the Quds [Jerusalem]-occupying regime, in so far as Arab governments are concerned. As to the Arab peoples, that is a different story. Ordinary Arabs are not at all pleased that some of their governments have thrown in the towel, as the old saying goes. Of course, some Arab governments, such as Syria, are really trying very hard to re-occupy the abandoned trenches of the Arab world and set them up against the Quds-occupying regime. But I should say that Syria is a lone hand in this. As a matter of fact, another outcome of what has happened is one that affects those compromisers who think that by giving more concessions to the Zionist regime, they will force it to give in more or feel compassionate. These people are mistaken.

A few days ago I told the French correspondent who was interviewing me: The Middle East peace plan is dead. They turned this into a headline and communicated it. That is, if we were to sum up what has been going on, we would say that the so-called peace plan — which we did not accept of course — or what remained of it, has died. Its principles died by being continuously disavowed by the Zionists. The Zionists now accept those sections of the whole peace project which benefits them. These are that Arabs should accept the existence of Israel; they should accept occupation; they should accept that Palestinians are refugees and that Israel's economic and military policy will dominate the region. The acceptance of these means peace. Security against security means surrendering to conditions that are being imposed on the region by Israel and its supporters. In this respect, the [peace] process, in the form that it was discussed in Madrid and in the form it was endorsed by 'Arafat and the Israelis in Oslo, is definitely dead and, from our point of view, unlikely to be revived under the current circumstances.

[IRAN] Dr Velayati. Allow me to discuss the issue of "critical dialogue" that is under way between Iran and Europe. Some people believe that the recent develop-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ments in Lebanon, the freeing and the exchange of prisoners, has been one of the successful consequences of the process of critical dialogue between Iran and Europe. In your view, as the head of Iranian diplomacy, what is the future of this process? How do you analyze it? Can it change into a constructive dialogue?

[Velayati] The view on the dialogue has been successful. Let us start by pointing out that at one stage there was the question whether or not it was possible to distinguish between the United States and the rest of the western world, or more accurately between the United States and other industrial counties. Some people inside the country and some people abroad believed this was impossible because they made up a single unit. But our analysis was that they were not a single unit and that they each had some common and some conflicting interests. For the past decades and centuries, these very Westerners have gone through bloody wars, unprecedented in history, to keep these interests. These wars were, of course, unfortunate, but they teach us the fact that each nation is in the pursuit of its own interests and to keep these, it is even prepared to conduct wars that are destructive for itself and others.

We began working with the Europeans. One aspect of the view that we could not, and cannot, work with the United States is that they have wanted to be here for many years. They entered the Iranian stage at the time of Nasereddin Shah when Hajji Washington was appointed as the first Iranian ambassador to the United States. You know about that. Initially, they tried to portray a humane image. Even when the famous 1919 agreement was signed between Iran and Britain — the signing-anniversary of which is close — the U.S. Embassy in Tehran published a statement against it. Also after the Second World War, to portray a humane image, the United States and European countries proposed the Marshall Plan and the Truman's Point Four plan for the non-European countries damaged in the war. Even when Dr. Mosaddeq went to the United Nations while fighting the British over the nationalization of the oil industry, he had positive meetings with the Americans on the subject. But the true nature of the United States was revealed later. According to the author of "Inheritors of Colonialism," apparently a Dr "Mehdi Behler," the United States was the same as the British and the rest; and it revealed its true nature. It even revealed its conflicts and contradictions with the British policy after the 19 August [coup] in Iran. One example was the publication of the list of Freemasons in Iran to destroy this British policy. It was hard for them to be forced out of Iran and to see the destruction of the roots of their illegitimate influence. These are the reason for all the enmity that you witness.

The Europeans do not share the same U.S. motives. On the contrary, they want to have a presence in the region. They have understood and they have said that Iran is the most powerful and the most stable country in the Middle East. Let me stress that many Western experts have said there is no country in the Middle East that is as powerful and stable as Iran. This region supplies the greatest share of the world's energy. It must be stable and for this stability, some powerful and stable countries must be in the region. The Europeans believe Iran is most suitable. The United States has been trying to be the sole rider in the region, particularly since the second war in the Persian Gulf and the Iraqi aggression against Kuwait. They tried to monopolize the Arab-Israeli peace process. And even though the Oslo [meeting] was without the official knowledge of the Americans, they did not allow it to continue in Europe and the agreement was finally signed in Washington in order for the United States to say that it had the final word in the region and in the Persian Gulf.

The Europeans are saying that if the U.S. motive is to guarantee the flow of oil and gas from the region to industrial countries and for this the Americans want a presence, then we [Europeans] also need to guarantee our sources of energy because we have a more powerful and critical economy. Why should only the Americans be there? The strategic implication of this is that if there are differences between the Americans and the Europeans, the United States will use its control over the oil wells as a powerful tool against the Europeans, the Japanese, and other industrial nations. The Europeans understand this and they do not want the Americans to be the sole rider. This was another motive. Therefore, the Europeans want to have an independent policy in the Middle East and the only country they can rely on is Iran. This is another motive to continue the dialogue with Iran.

The term dialogue has a "critical" extension. This was the result of a European summit in Britain's Edinburgh. Well, some European countries are closer to the United States and this was the result of their influence, but we are used to such unfriendly and less-friendly behavior. It is not important for us what kind of adjective or description they use for the dialogue. We believe the dialogue, whatever you call it, has been useful and this critical dialogue can change into a constructive dialogue in the future. This is in the interest of the two sides, probably more so for the Europeans.

[IRAN] I would like to look at an issue closer to home, i.e. Afghanistan. The United States was planning to hold a meeting for the Afghan leaders in Washington. But none of the Afghan leaders, not even the Taleban leaders, went. They sent representatives. What is the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

U.S. policy, or the portrayed U.S. policy, here and how successful could it be?

[Velayati] It is impossible to conduct a foreign policy from a distance. But from that distance, the American senator invited the Afghan officials to go to Washington and to hold a meeting so that the United States could guide them on how to solve their problems. Other foreigners who have had a military presence in Afghanistan, let alone the United States, have failed in their Afghan policy because they did not want to understand the country. The United States also lacks the background and the courage to enter Afghanistan. The problems of a country such as Afghanistan cannot be solved with instruction manuals, or as we say petty commands. The Afghan leaders made a stand and protested right from the start. You pointed out correctly, some representatives went. But I can say as a matter of fact and because of my understanding of the situation that the U.S. policy will not solve any problems for the Afghan people. To enter the situation carelessly, to say here we are, to lack sufficient understanding of the country and to lack the sufficient tools for the implementation of policy amounts to an act of propaganda in foreign affairs. This is a policy that will fail right from the start. You should print this statement in your newspaper so at least it is documented for when the U.S. policy fails in a few weeks' time.

The Afghan people have several thousand years of history and culture behind them and they share this with us. International rivalry and foreign powers have damaged the country, otherwise this country has produced great Islamic personalities. The Afghans are a bright and clever people. They are not like some countries which have no history at all. Whoever wants to work with the Afghans should work with them as equals and should try to prove to them that they only want their wellbeing. They should try to make them understand that they harbor no grudge against the Afghan people and that they want to help. This has been the secret of our success in Afghanistan. No other country or people is able to understand the Afghans as we do. We are very close to them in terms of history, beliefs, culture, traditions and language. When the Afghan speaks, only the Tajik and the Iranian can understand. Language is an important factor in creating solidarity between two nations. Of course they have also realized that we do not want to impose anything on them. It is not up to us to decide who rules Afghanistan. That is up to the people of Afghanistan. But others are not like this. They think they can infiltrate and rule the country from outside. But they fail. This is not what we want. We want to help Afghanistan. We want to help the reconstruction of the country and to help bring reconciliation between the groups. These facts have proved to the Afghans that we have good intentions. They have thus welcomed us more than others. In the recent gathering in Tehran, nearly all the groups participated and they praised the Iranian policy, even though they have differences of opinion among themselves. (This interview will be continued in future issues of the newspaper)

Iran: Zaynab Assembly Supports Nateq-Nuri for President

LD0308161796 Tehran SALAM in Persian 29 Jul 96 p 2

[Unattributed report: "Presidential Elections at the Zaynab Assembly"]

[FBIS Translated Text] Discussions about the future presidential elections are very topical at the meetings of the Zaynab Assembly.

Hojjat ol-Eslam 'Ali Zadsar, deputy for the people of Jiroft, told our reporter at the Majles yesterday: At the meeting held in the evening on 23 July, attended by over 100 Majles deputies from the first to the fifth terms, discussions were held and views exchanged about the future presidential elections.

Zadsar said: At the meeting, all the participants, with their views and ideas, announced with one voice that after Hashemi-Rafsanjani, the best and most qualified person for the presidency is Nateq-Nuri.

The deputy for the people of Jiroft went on to say: My heartfelt wish is that Nateq-Nuri will become the Majles speaker [as published] and Hashemi-Rafsanjani, after a brilliant and successful eight year record, will become the Majles speaker.

Iran: Majles Elects Deputies as Committee Observers

LD0308161596 Tehran HAMSHAHRI in Persian 28 Jul 96 p 2

[Unattributed article: "Majles Committee Elections"]

[FBIS Translated Excerpt] [passage omitted] Two deputies are to be elected as observers for the Article 10 committee on political parties and associations, in the open session of the Majles today.

The "Hezbollah Assembly" of the Majles has chosen Majid Ansari and Fa'ezeh Hashemi as their candidates.

The "Hezbollah Deputies" [Namayandeghan Hezbollah] has chosen 'Ali Movahhedi-Savoji and Mahdavi Abhari as their candidates.

In the fourth term of the parliament, Movahhedi-Savoji and 'Ali Yusefpur were the observers in the committee.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Iran: Observers for Committee on Political Parties Elected

LD0308162396 Tehran RESALAT in Persian 29 Jul 96 p 5

[Unattributed report: "Election of Majles Observers for the Committee on Political Parties"]

[FBIS Translated Text] At yesterday's open session of the Majles, and according to Article 10 of the law on the activity of political parties, associations, syndicates, and religious minority associations, the following were elected as deputies acting as observers in the committee supervising political groups: Majid Ansari with 100 votes and 'Ali Movahhedi-Savoji with 89 votes, from the total votes of 184.

Other candidates for the posts who failed to receive sufficient number of votes were Ahmad Movahedi with 77 votes, Shamshoon Maqsudpur with seven votes, 'Ali Mo'lemi and 'Alireza Mahjub with two votes, and Fa'ezeh Hashemi with 82 votes.

Iran: Paper Urges Honest, Clean Election Campaign

LD0308221596 Tehran JOMHURI-YE ESLAMI in Persian 31 Jul 96 p 1, 16

[Unattributed editorial: "More Important Than the President"]

[FBIS Translated Text] In the name of God, the merciful, the compassionate. Although there is still a year to go before the presidential elections, political efforts and campaign activities to do with the elections have already begun. Is this a positive phenomenon or a negative one?

There is no doubt that these efforts and activities are an indication of the sensitivity and importance of the issue. Undoubtedly these all-sided efforts will lead to greater interest in the presidential elections and the people will go to the polling stations with great sensitivity and enthusiasm, and this will be of enormous benefit to the Islamic Republic's system. At the same time, one must not overlook the very important point that great interest in the elections and the resulting benefit to the system would depend on maintaining a healthy political climate and a healthy campaign so that we can have a healthy election. One of the important requirements for ensuring that the climate remains healthy is to refrain from negative campaigning against others.

Parties, associations, individuals, and groups must do everything they want and everything they can in order to explain the positive points about the individual or individuals they are supporting, but they must not attack others. It is no exaggeration to say that this is the most important condition for holding healthy elections. We have consistently suffered from the negative campaigning of candidates and groups during elections. In the end, we must, one day and at some point, put an end to this unpleasant, un-Islamic and unethical behavior. Our system is an Islamic system and we are supposed to be a model for all nations. Elections are an arena for rivalry regarding the attainment of power. If this rivalry is carried out in a healthy manner, it indicates the health of the system and, if it is carried out in an unhealthy manner, we must fear the great harm that will be inflicted on the system in this way.

We should learn a lesson from the harm that was inflicted on the system during the elections for the fifth term of the Majles as a result of unhealthy campaigning and unethical behavior by rivals toward one another, and we must begin our efforts from today to maintain a healthy political and electoral climate during the presidential elections. We are not trying to accuse any person or group of resorting to destructive methods. We are only trying to remind everyone that the thing that is even more important than who will be president is the degree to which we hold healthy presidential elections. In other words, more important than the president himself is the way in which the elections are held.

There are other things that need to be said about the health of the political climate and the presidential elections that we will, God willing, raise on future occasions.

Iran: Ansar Demonstrate at Majles

96LA0265A Tehran KAR VA KARGAR in Persian 22 May 96 p 1

[FBIS Translated Text] News Service—Yesterday the Ansar of the Hezbollah gathered in front of the Islamic Consultative Majles Building to protest the recent speech by Engineer Gharibani, Majles deputy from Ardebil.

Our correspondent reports that one of the members of the Ansar of the Hezbollah noted that the rejection of Mr. Gharibani's competence by the Guardian Council was the reason for his increased unhappiness and anxiety. He said: In the last few days Engineer Gharibani accused the Ansar of the Hezbollah of disrupting public order in society, and this is because of his lack of familiarity with the real pains and demands of the Hezbollah.

He said: We will not disregard this disrespect for committed and believing individuals, because this undermines the image of the Hezbollah. Those who intend to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

abuse existing freedoms must realize that one day they will pay the penalty for these abuses.

Based on this report, then the members of the Ansar of the Hezbollah shouted slogans such as "building towers and palaces is against the revolution," "the source of this corruption is the municipality of Tehran and the mayor must wake up," and "let the mayor of Tehran come to his senses," and went toward the central building of the municipality of Tehran.

One member of the Ansar of the Hezbollah said in front of the central building of the municipality of Tehran: We did not know that a few people would build some bridges and highways and then use that as a pretext for coming to power.

He added: Our mistake was that we came to you not long ago to thank the municipality, but we should have thanked the municipality's toiling personnel.

Allah Karam emphasized the fact that the Hezbollah puts social justice ahead of development. He said: In a time when there is no development and we are in economic poverty, we must not deviate from the path to social justice.

Allah Karam also criticized the newspaper HAMSHAHRI. He said: Why did you falsely write in the newspaper HAMSHAHRI that because of the entry by the Ansar of the Hezbollah into the Qods Theater, Ms. Yardari had a miscarriage, and in doing this, you insulted the Ansar of the Hezbollah?

He added: The nigh cost of land and housing is a plan whereby some people are seeking to scatter the hezbollahis, because they fear their centralized presence in the nation's capital, which could be important and fateful.

Allah Karam noted: I call upon the Majles to pursue the research and investigation of the performance of the municipality of Tehran so the people may know what is being done with the money and taxes that are taken from them.

Iran: President Says Government Ready To Implement Council Law

LD0308171196 Tehran SALAM in Persian 29 Jul 96 p 1

[Unattributed report: "The Government Is Ready To Implement the Council Law"]

[FBIS Translated Text] In a meeting with members of the Majles Committee on Councils and Internal Affairs, President Hashemi-Rafsanjani said the government is ready to implement the law on the election of Islamic councils.

The Majles public relations office said the members of the committee had held talks with the president.

At the meeting, the head of the committee reported on the activities and future programs of the committee. Then the president spoke about the programs of his government on the fight against poverty and the country's internal affairs.

The law on the organization of Islamic councils was passed by the Majles on 22 November 1982 but was altered in 1986 by a bill on the reform of the law on the organization of Islamic councils in the country.

However, the law has not yet been implemented.

Iran: Turkish-Speaking Majles Deputies Set Up Own 'Society'

LD0408151096 Tehran AKHBAR in Persian 29 Jul 96 p 3

[Unattributed article: "Turkish-Speaking Majles Deputies Set Up Their Own Society"]

[FBIS Translated Text] The Turkish-speaking deputies in the Islamic Consultative Majles, representing Eastern and Western Azerbaijan, Ardebil, and Zanjan Provinces, have formed a faction called the Society of Azeri Deputies.

According to Hojjat ol-Eslam val-Moslemin Hamid Baqeri-Bonabi, this faction was founded last Tuesday [23 July] and has 43 members.

Hojjat ol-Eslam val-Moslemin Hamid Baqeri-Bonabi, who leads this faction said: The society has been founded only with the aim of coordinating work, making decision cohesive, and restoring equal rights of the relevant provinces compared with other provinces.

In his interview with AKHBAR's parliamentary correspondent, he said: Issues such as language, race, and ethnicity have had no part in the formation of this faction and the faction has been set up only on the basis of provincial and regional issues.

Mr. Ali-Reza Ghanizadeh, the deputy for Orumiyeh, and Hojjat ol- Eslam val-Mostemin Nurizadeh, the deputy for Meshkinshahr are the first and second vice-chairmen of the faction and Mr Rajab Rahmani, the deputy for Takestan, is the secretary of the executive committee.

Iran: Inflation Rates Reviewed

96LA0270A Tehran ETTELA'AT in Persian 19 May 96 p 4

[FBIS Translated Text] Economic Affairs Service—The average price indicator for consumer goods and services

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

(the rate of inflation) increased 49.4 percent last year compared to the year 1373 [21 March 1994 - 20 March 1995]

The indicator for consumer goods and services in the nation's urban areas (100=1369 [21 March 1990 - 20 March 1991]) in the month of Esfand [20 February - 20 March 1996] reached 419.8, and increased 2.2 percent compared to the month of Bahman [21 January - 19 February]. Compared to the same month in 1373 [21 January - 19 February 1995] this indicator was 36.5 percent higher.

The Office of Economic Statistics reports that in the month of Esfand last year, the price indicators for consumer goods and services in the provinces of Kohgiluyeh va Boyer Ahmad, Hormozegan, and Fars with the numbers 469.8, 468.1, and 450.4 respectively, were higher than the nation's other provinces. The lowest indicator was in the Province of Mazandaran at 403. Likewise, the indicator for the Province of Tehran in this month was 410.8. Based on this report, the price indicator for the foods, beverages and smoking materials group increased 40.3 percent compared to the month of Esfand 1373. Similarly, the price indicator for the foods group increased 41 percent, 4.1 percent for beverages, and 28.3 percent for the smoking materials group.

Compared to the month of Esfand in 1373, the price indicator for the clothing group in the month of Esfand last year increased 60.1 percent, the indicator for the housing, fuel and power group increased 28.8 percent, the indicator for the furniture and household goods and services group increased 37.5 percent, it increased 20.5 percent for the transportation and communications group, 32.4 percent for the health care and treatment group, 47.4 percent for the recreation, study, and research group, and 24.9 percent for the miscellaneous goods and services group.

Iran: Rising Bread Prices Criticized

96LH0233A Tehran KAR VA KARGAR in Persian 4 May 96 p 2

[FBIS Translated Text] Wherever you go these days, from the grocer to the dairy shop to the butcher and the fruit seller, they talk about the prices going up, and the market is heated up with the high prices more than ever.

Although the new year has barely begun, among those respected gentlemen (!), and I am talking about some of the owners of capital and goods, and in short those who are market insiders in some way and who are increasing the prices on various pretexts, there is not one who will say that there is no end to what these unjust bloodsuckers will do to the people. How long are they going to justify making everything expensive and keep saying that fuel is expensive because the taxes went up? The prices of services such as water, electrical power, telephone service, and other things have increased, and you still keep progressively, no, logarithmically, escalating prices!

Apart from all these things, however, the people have been obliged again to tolerate newer prices! I am talking about the price of bread. Yes, this was the only item whose price had remained stable to some extent, but recently even bread, the primary food of the vulnerable classes (according to some of the respected gentlemen), has been subjected to price changes.

Of course the new price for bread has not yet been officially announced, but some of the respected bakers, who do not want to be left behind when they adjust the prices a little (!) have already been tinkering with the prices.

When you protest or ask the reason for the high prices, they gravely and argumentatively reply that everything has become expensive, that only this bread has remained inexpensive, that they have no choice, in order to carry on with their lives and continue to meet expenses, but to make the price realistic.

It is obvious, however, that there is no longer any point in saying these things. In other words, protesting and invoking the law solves nothing.

As the poet said,

Listen, if you hear a moan, and if the moan is mine,

Of course what you have not yet heard is the shouting

But no, one cannot dismiss an issue of this importance so easily. We must note that bread, by order of the immortal power, is for this very vulnerable class, and one must think of a way to deal with the individuals who abuse the situation.

Heydari

Iran: Tehran Ready To Participate in Oil Projects in Asian States

LD0408103296 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0730 GMT 4 Jul 96

[FBIS Translated Text] The Islamic Republic of Iran declared its readiness to participate in oil industry infrastructural projects as well as their related activities in Asian countries.

According to a report by the IRNA, our deputy oil minister, speaking at the international oil and gas conference

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in Kuala Lumpur, referred to Iran's invaluable experiences in the oil, gas, and petrochemical industries and added: The Islamic Republic of Iran is ready to set up facilities for the export of energy from the Central Asian countries to third party countries. The oil official also stressed Iran's commitment to play an active role in the world energy markets, despite the pressures by global arrogance.

Iran: Efficiency Measures Save 900,000 Barrels of Oil By-Products

LD0408213396 Tehran ETTELA'AT in Persian 30 Jul 96 p 4

[Economic Desk News Report: "Efficiency Measures Result in 900,000 Extra Barrels of Oil By-Products"]

[FBIS Translated Text] Thanks to the implementation of improvement projects in seven oil refineries in the country, 900,000 barrels of oil by-products were reclaimed in 1374 [year beginning 21 March 1995].

According to the public relations office of the refining and distribution of oil by-products national company, the management of the planning and compilation department of the refining and distribution of oil by-products national company announced in a report: Last year the able managers and employees of the refineries, by using more natural gas instead of furnace oil and gas oil in the furnaces and boilers, carrying out basic repairs on time and using the surplus gases produced in the refineries, achieved a saving of at least $18 million in foreign currency compared to 1373.

The report adds: Considering the capacity of the country's refineries and the need to supply domestic fuel requirements, basic repairs were carried out, the necessary plans were made, and the necessary measures were taken to refine the various types of crude oil derived from the country's sources. After one year's non-stop work the operations were successfully completed in the country at the end of 1374 and the reduction in fuel consumption and wastage resulted in a three percent increase in production compared with the previous year.

Iran: Need To Boost Domestic Production Discussed

NC0208122496 Tehran TEHRAN TIMES in English 30 Jul 96 p 2

[Editorial: "Increasing Domestic Production, Best Measure to Check Inflation"]

[FBIS Transcribed Text] The ministers of Mines and Metals and Industries recently stated that the prices of iron and copper products and home appliances have dropped over the past few weeks.

The reason for the falling prices, according to the ministers, is the increase in production. The demand and supply rule is the most basic principle of market economy: when the supply increases demand decreases and prices fall.

The least that our officials can learn from this simple rule is that we have to increase our domestic production. Our indigenous industry is in urgent need of the government's strong measures to protect it against the inrush of commodities imported from industrialized societies.

Unfortunately, over the past few years our officials have enthusiastically welcomed market economy policies without paying due attention to the fact that our industry is at an embryonic stage.

No doubt, unfettered subsidization of domestic industries is suicidal since it will breed frail industrial units. The protection should be in such a manner as to enable the domestic industries to rely on themselves in the long run. Also, fresh impetus should be given to the domestic industries so that they will be able to enter global markets and compete with the products of other industrialized nations.

In fact, privatization is approved of as long as it is conducted on a sound basis. It has been said that, in certain cases, the new owners of some privatized units have dismissed the employees, dismantled the machinery and sold the premises of the unit bought from the government because they could make more money by selling the unit than running it.

If the government is determined to continue privatization, the task must be accomplished in a rational manner. In other words, privatization should not be achieved by auctioning off public assets. Moreover, the owners of the privatized units should not be given free rein to be able to hike the prices of their products as they wish.

Nevertheless, it should also be borne in mind that raising the cost of services by the government departments gives the private sector an incentive to hike the prices. Hence, an effective way to check inflation is keeping control over prices of commodities and services offered by the government.

Iran: New Plant in Esfahan Makes Iran Self-Sufficient in Cement

LD0408212196 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 4 Aug 96

[FBIS Translated Excerpt] Through the efforts by our country's experts a fire cement plant has become ready

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

for commissioning at Esfahan cement factory and in this way Iran has become one of the producers of fire cement in the world. The fire cement produced in this plant will make our country self-sufficient besides offering access to technical knowledge in this industry. Here is our colleague in Esfahan with more details.

[Correspondent] Following the implementation of the fire cement project at the Esfahan Cement Factory, with an annual output of 60,000 tonnes, there will be a foreign exchange saving of $25 million per year as well as the opportunity of earning $55 million in hard currency [from exports].

Formerly and during the years between 1371 [year beginning 21 March 1992] to 1374, Iran used to import about 23,000 tonnes of fire cement annually. After the plan has been commissioned, it can play an effective role in earning income from non-oil exports beside meeting the domestic requirements.

This important and vast industrial project is calculated to have cost $12.650 million and 30 billion. [passage omitted]

Besides bauxite, which at the moment cannot be acquired from the domestic mines, other raw materials needed will be supplied domestically. [passage omitted]

Iran: Tehran District Mayor Cited on Development Projects

NC0208155296 Tehran TEHRAN TIMES in English 28 Jul 96 pp 1, 14

[TEHRAN TIMES Service report]

[FBIS Transcribed Text] Tehran — The Mayor of Tehran's District No. 6, Mozaffar Nafari, in an exclusive interview here with the TEHRAN TIMES, said that implementation of a considerable number of infrastructural projects of the municipality are in full swing.

He further revealed that Tehran Municipality will soon be ready to offer a general plan entitled "Tehran 1380" [Tehran 2000] —a blueprint embodying suggested practical solutions for city problems.

Nafari described a main feature of the plan which is to concentrate administrative offices, organizational headquarters, as well as seats of municipalities in one area in every district. The idea, he said, is to save people's time and to reduce city traffic.

The mechanization of construction methods and organizational functions, as well as the setting up of information centers in different parts of the city are among other projects now going on in various parts of Tehran, he said.

On the expansion of cultural and entertainment outlets, the mayor revealed that the municipality will soon be setting up a modern library and media center in the district, to be equipped with modern computers and linked to the international network (Internet) in the near future.

Ground-breaking ceremonies for the library, reportedly to occupy an area of 16,000 sq meters, have been scheduled to coincide with the annual Government Week celebration, he said.

The mayor also gave credit for the establishment of the Sarv Cultural Center, located at the northern end of Sa'i Park, to District No. 6 of Tehran Municipality. He said people use the center to take part in different training courses in pottery, painting, designing, photography, graphic, foreign languages, music and handicrafts.

He said another cultural center set up in Shafaq Park sponsors workshops in carpet-weaving and other training courses in calligraphy, painting and pottery, free of charge, including Koran recitation classes.

He revealed that more underpasses, commercial and entertainment centers are now under construction in the municipality.

Future projects, Nafari further revealed, is the Nezami Ganjavi Park, a modern park that will also serve as an education center because it will be equipped with a modern, special library. He said this part will be linked to Bustan Park by way of a rocky footpath which climbers can use.

On sports activities, Nafari pointed out that important measures taken to meet the people's sports needs include facilities in 43 sports fields established in the district.

On the subject of parks, the mayor spoke of a breeding center for birds which the municipality has put up in Ghezel Qal'e Park and where different kinds of birds will be put on display.

He said the center is unique in Iran and provides visitors with information on raising and breeding birds. "In addition, people may purchase birds available in the center," Nafari added.

Nafari expressed satisfaction over the level of cooperation the people have accorded the municipality, particularly District No. 6, saying the municipality and its staff, in return, will spare no effort in providing them with more facilities for a better life as the years move on.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Iran: Basij Forces Launch 'Revival Week'

96LA0268A Tehran ETTELA'AT in Persian 19 May 96 p 13

[FBIS Translated Text] News Service—As of today, 230,000 trained basiji officers will engage in enjoining good and prohibiting evil throughout the country for one week.

In an interview with news correspondents, Second Guard Brigadier General Mahmud Salahi, commander of the Basij Resistance Forces Prince of Martyrs (peace be upon him) Base, mentioned the arrival of Enjoining Good and Prohibiting Evil Revival Week. He said: In memory of the 72 martyrs of Karbala, 72 tents have been erected in the city squares by people's forces for carrying out this duty.

Enjoining Good and Prohibiting Evil Revival Week is held for one week throughout the country each year on the first day of the lunar month of Moharram.

He said: In these tents erected in the main squares of Tehran, a book display will be provided and propaganda brochures will also be given out.

The commander of the Prince of Martyrs Base added: Likewise, on the occasion of the arrival of the month of Moharram [19 May - 17 June] and the first day of Enjoining Good and Prohibiting Evil Revival Week, the rites for the 'Ashura pilgrimage will also be held.

These ceremonies will begin at 0700 today at Imam Hoseyn (peace be upon him) Square, attended by thousands of Basiji forces and people.

Continuing, Brigadier General Salahi discussed the enemy cultural invasion and called upon parents to do more to familiarize their children with religious issues and the values of the revolution.

He said: On the final day of Enjoining Good and Prohibiting Evil Revival Week, the 5th of Khordad [26 May], a great demonstration march will also be held in defense of the values of the revolution.

He also called on officials in charge of public and recreational areas to cooperate with the trained Basiji officers who have the duty of enjoining good and prohibiting evil during the days of the aforementioned week.

In conclusion, General Salahi said he considers it essential that the Basiji officers present their identification cards.

Iran: Military Exercises Held in Ardebil Province

LD0308164296 Tehran JOMHURI-YE ESLAMI in Persian 28 Jul 96 p 4

[Unattributed report: "Military Exercises in the Province of Ardebil by 'Ashura' Battalions"]

[FBIS Translated Text] Ardebil, Islamic Republic News Agency — Fifteen "Ashura" battalions of the Islamic Revolution Guards Corp, comprising of [para-military] Basij and popular forces from the Ardebil region have held the final stage of exercises in the province.

The commander of the Shaheed Bakeri Base said the exercises were held simultaneously in various cities of the province in order to improve the defense and combat alertness of the volunteers against foreign threats.

Commander Mohammad Yusef Shakeri added: The participating forces started their initial training on 23 July in order to improve their defensive capabilities and morale.

Iran: Article Views 'Red Line' of Press Freedom

96LH0232A Tehran KAR VA KARGAR in Persian 4 May 96 p 2

[FBIS Translated Text] On Thursday Hazratollah Khamene'i told a gathering of press insiders that in all the countries and governments of the world there are lines that must not be crossed. The principle of the revolution and the government of the Islamic Republic is also a red line that must be respected.

In this regard, the following points are worthy of reflection:

1. Basically, every civilization has a series of principles, sacred symbols and structures. This has been a tangible fact since the beginning of human civilization; the vigor and life of a society depends on these things. The rise and fall of various civilizations are the two sides of a coin called the preservation of principles, and the mold that makes social customs and gives life to society. This idea also has meaning in the context of war and territorial defense, so that to eliminate a society or a nation, they actually attack its fundamentals and foundations, and this attack, whether made internally or from the outside, clearly can lead to that society's collapse.

2. In the "open" and "closed" atmospheres of today's world there are also areas of sanctity whose boundaries are these same principles and molds. Departure from these principles is seen as completely antithetical to the life of society. However, differences are to be seen in the way these principles are preserved, in the sense that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in closed societies, the preference is to use violence and physical confrontation when these principles are not followed, while in the so-called "open" systems, this is achieved through psychological methods, the preparation of public opinion and other things. Only at certain times are there open confrontations. The red line in any society has various types of fortifications. In closed systems, violence has priority even at the first red line, whereas in "open" political systems, the violence is most palpable at the final fortification. It is this "elegance" in the preservation of principles and areas of sanctity that brings about two kinds of interpretations of societies.

3. In recent decades, and with the changes in the face of imperialism to its current form, as the areas of sanctity and principles in revolutionary societies are basically faced with a breaking down of the walls of what is culturally sacred and the structure of values, it becomes practical to influence the beliefs of most of society. This is manifested mostly among domestic elements affiliated with foreigners and takes the form of influence in the educational structure.

4. Taking the above issues into consideration, what takes the form of a red line with regard to the Islamic revolution of Iran are:

1) national interests;

2) preservation of the system;

3) the matter of the vice regency;

4) the structure of the Islamic values in our society. Other than these things, what is most important is the matter of preserving the dignity of the revolution's public leaders and prominent figures. This writer believes that destroying the dignity of prominent figures first of all ends in destroying the dignity of many other things, just as early in the revolution domestic and foreign enemies, in order to destroy the dignity of the imam (peace be upon him), placed the destruction of the dignity of Martyr Beheshti, Mr. Hashemi-Rafsanjani and His Holiness Ayatollah Khamene'i on their agenda. Second, this leads to the prevalence of an atmosphere of "no confidence" in society. If this happens, enemy psychological operations against the nation and the revolution become easier, and this also adds to society's lack of direction.

It is therefore incumbent upon those in charge of the press and media first of all to clarify what is sacred, and second to guard the areas of sanctity in the revolution and the revolution's prominent figures.

God willing.

Iran: Writers Association Criticized on GARDUN Publication Affair

96LH0231A Tehran KAR VA KARGAR in Persian 4 May 96 pp 1, 2

[FBIS Translated Text] News Service—The so-called Writer's Association (!) is using a foreign lawyer for 'Abbas Ma'rufi, executive editor of the journal GARDUN.

According to what we have heard, some dependent individuals are intending to portray the trial of the journal GARDUN's executive editor in the media as a hooligan brawl.

Recently, under the guidance of certain foreign circles, they have put on their agenda the hiring of a foreign lawyer for 'Abbas Ma'rufi.

It has also been heard that help is being sent to him from outside the country from "Iranians living abroad."

It is worth mentioning that the executive editor of the journal GARDUN was convicted in court some time ago. It appears that despite the fact that the 'Abbas Ma'rufi affair is not a complex issue and that he was convicted in court, unfortunately some domestic circles are unwittingly exaggerating the issue's importance by discussing it more than they should. Foreign circles are deliberately seeking to keep this issue alive and exaggerate it. They want to make this a pretext to bring foreign political pressure on Iran.

We have also heard that in his latest trip to Iran, Cupiturn [as transliterated] met with Mr Ma'rufi.

Of course some press colleagues think that implicit defense of 'Abbas Ma'rufi is a defense of freedom, or perhaps they are worried about the spread of this type of encounter. Apart from the judicial verdict against GARDUN's executive editor and the judge's determination (and we do not intend to get into the details of that), our colleagues must note that first of all he received appropriate reminders about adopting such a practice and about printing offensive material, and secondly, he knowingly continued this practice. If this had not been controlled, it was not clear how long, to where or to what extent it would have continued.

However, some other press colleagues have dealt excessively and provocatively with this issue, which we think was done at the behest of Ma'rufi and his colleagues, and in so doing they have unwittingly exaggerated the importance of these individuals and these events.

In our view, Mr. Ma'rufi's press career and his record of political activity are not worth any attention, especially considering the fact that before the revolution his

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

political activities were negligible. At the same time, in the view of many Mr. Ma'rufi is not at all to be ranked on a level of importance comparable with that of freedom. It appears that where this affair is concerned, he ought first to deal with himself, and, while making society aware of logical procedures and reasonable disclosures, he should refrain from doing things that lead to the abuses in episodes like this.

Iran: Commentary on 'Red Line' of Freedom

96LA0237A Tehran ETTELA'AT in Persian
6 May 96 p 2

[FBIS Translated Text] The existence of legal boundaries and limits in the work of the press, which can be otherwise called "the red line," is another of the most important points emphasized and confirmed by the leader of the revolution.

The legal boundaries and limits, called "the red line" by the leader of the revolution, in their principle and basis are not new and unique phenomena to be called the "special characteristics" (!) of Islamic and Iranian society. Whether we speak of mostly dead systems that were once at their peak of brilliance and triumph, meaning the communist and socialist systems, or whether we speak of the systems based on open economies and societies, meaning the capitalist and freedom-loving systems of the West, in any case we will encounter the phenomena of "boundaries and limits" and the "red line." Therefore, the term "red line," despite its formidable implications, is in reality and in its essence nothing other than "legal boundaries and limits." To put it more specifically, one can say that the "red line" is the same as "law."

Of course the foundations, the roots and the sources of the law's formation are discussed and studied in the context of law, the philosophy of law, the sociology of law and even in intellectual, philosophical and epistemological discussions. It is clear that in every society ideas and thought and in general, spiritual, national and historic principles and values are strongly influential in the formation of laws and in the legal structure of society, along with political power—and of course sometimes they take precedence over political power, and sometimes they are subordinate to it and submerged within it.

Although the influence and roles of these factors vary and will vary in accordance with the political, cultural, economic and historic characteristics of any nation and any country, in any case what is clear is that laws exist in all societies and in all systems. The law also speaks of do's and don'ts, and in other words, of prohibitions and restrictions. Prohibitions and restrictions are these same boundaries and limits. These boundaries and limits can also be called the "red line."

France has become known as the cradle of freedom and democracy in the modern age. Recently a judicial official from that same country ordered that publication cease for a book that offered an interpretation of the New Testament, and based on that judge's order, publication of the aforementioned book stopped. This happened no more that a year or two ago. The justification and explanation given by the Paris prosecutor was that in this book verses in the New Testament against the Jews were interpreted, and this is a form of racism, fomenting of discord, and opposition to a historic race and ethnic and religious group. The Jews of France complained, and this is the kind of measure taken by the judicial apparatus. Of course, usually in instances like this numerous principles and judicial and legal articles can be extracted from all the legal texts and laws that have been passed, and then stopping the book's publication can be considered justified, reasonable, and lawful.

Another example is another judicial order blocking importation of a book printed in Europe. Since the book explains the status of the Algerian combatants and the behavior of the occupying army towards them, they do not have the legal authority to import it onto French soil. Verdicts, opinions, and orders like this can also be found in the French legal centers and sometimes in the French press.

Clearly, in the present discussion it is not our purpose to find fault with the judiciary in another country like France. What we want to say is that countries known as the cradle of Western and European freedom and democracy—even France — in any case also have their standards and criteria on the basis of which they approve laws. Based on these same laws it is also possible that they will speak of prohibitions, limits and restrictions and a "red line." Of course what sets the Western nations apart from us — for example — is that they say "do it, but don't talk about it." The red line exists, but it must not be openly discussed!

The first point in this part of the discussion goes back to the intellectuals and those who advocate freedom — and the fact that these names and claims are just mirages, far from reality.

Apart from his religious beliefs or the way he thinks, the true intellectual, like anyone else, before everything else, and before doing anything, must take note of the time in history and the geographic location in which he is living. Culture, history, and nationality in Iran are so mixed with religious beliefs that it is impossible to truly and completely separate them except in the mind, let alone to place them in true or internal opposition

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to one another. One cannot live in the atmosphere of this culture, this history, and this nationality and at the same time expect what is more compatible with the cultural, historic and national atmosphere of Switzerland or France or some crazy island (the mad cow disease!). Every country and every land, as required by its historical structure and national composition, has a different culture, different beliefs, different criteria, different principles, and different values.

The true or superficial intellectual in our society knows — or it is surprising if he does not know — that what set the revolution on fire was the printing of an anonymous tract in a newspaper against Iranian society's obvious religious, national, historic, and cultural sacred symbols. This abusive and vulgar letter was printed in the newspaper ETTELA'AT as it existed in the time of His Majesty the Shah's rule, against a wise and educated man (Imam Khomeyni). From the Western point of view, and from the point of view of the foundations of freedom and democracy in the West, there was no problem with the publication of this letter. In any case, a newspaper with a long record could have this freedom and this much of a prerogative in making use of European freedom. But from what point of view? From that of the European intellectual, or from that of the Iranian intellectual?

From the point of view of the European intellectual, the people of Iran could have written answers to that letter and had them printed in the same newspaper. So why did millions and millions (and not 10 people, 100 people, or 1,000 people) pour into the street and ignite the fires of a great and vast revolution to the highest possible degree? Thus, apart from the religious, political, and philosophical discussion, the Iranian intellectual, whether he is real or superficial, knows, and it is surprising if he does not know, that this is Iran, and it is also Islamic Iran. It has its own special history, culture, and nationality. The primary framework is this very culture, history, and nationality, that can fulfill the mission of clarification and intellectual activity, and this cannot be done by departing from the primary framework and the basic and fundamental structure.

The second point worthy of attention and reflection goes back to the discussion of the "red line" and the "boundaries and restrictions" in our religious and political society in the most specific sense.

Yes, the "red line" and the "boundaries and restrictions" exist, but first they must be designated, clear and specific, and previously announced and published. Such a thing is not possible except through passing laws, making efforts to have the laws and their notes be as clear as possible, and referring to the authorities who have been named in the Constitution as the interpreters of the principles, articles, and notes of the law. Otherwise, it will lead to confusion.

Second, the "red line" and the "boundaries and restrictions" must not and cannot be pulled and bent every day from the far left and then to the far right in the domain of tastes and preferences and through the various and countless points of view, especially in the course of implementation. Boundaries and restrictions exist, but this very definitive statement that "boundaries and restrictions exist" must also have its boundaries and restrictions, otherwise notions of the "infinite" and the "absolute" will appear. The "red line" exists, but this very "red line" must also have its beginning and its end. Otherwise, some people, who make a specialty of stretching these kinds of lines, will stretch the two ends of this "red line" so much that its red color will become so dense there will be no one left on earth who has not crossed the "red line," though perhaps without realizing it!

We are not talking about the necessity, lack of necessity or existence or non-existence of the "red line." The "red line" exists, and the exalted leader of the revolution's remarks about this are too clear for any one to be able to deny it. Religion, reason and the vice-regency, relying on these two principles, also clearly confirm the existence and necessity of the "red line" and the "boundaries and restrictions." However, when it comes to the executive authorities and interpreters of this very reality, some of them cannot wait to get up in the morning, go to their offices and tell about the new "red line" they have discovered in addition to the red lines that existed in the days before, and to make the ring of restrictions wider every day! In this case, the "red line" and the "boundaries and restrictions" become principles and rules, and go beyond the character of "exceptions to the rule." This is when the laws must be changed and one must write, "No! The press are not free except in the following exceptions!"

Yet we know that religion, reason and the vice-regency rely on these two basic principles (and both principles are also a part of religious thought and ideas), and that their divine and public word and absolute law have always been and are such that:

"In general and as a principle and a foundation, the press are free, except in certain cases that have become exceptions."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pakistan

Pakistan: Indian Border Firing Creates 'Havoc' Among Civilians

BK0408093196 Islamabad Radio Pakistan Network in Urdu 0200 GMT 4 Aug 96

[FBIS Translated Text] Two women, a boy, and a man were wounded in Azad Kashmir on 2 August by unprovoked firing by Indian troops from across the Line of Control. Several houses were also destroyed. According to reports, the firing — which began during the morning in the (Nakial) and Jundrot sectors bordering the Line of Control — created havoc among the civilian population living in those areas. Innocent civilians were the target of this barbaric act of violence. A complaint over the cease-fire violations has been lodged by Pakistani authorities with the United Nations Military Observers Group in India and Pakistan.

Pakistan: Bhutto Says Political Solution on Kashmir 'Inevitable'

BK0408140596 Islamabad PTV Television Network in English 1300 GMT 4 Aug 96

[FBIS Transcribed Text] Prime Minister Benazir Bhutto has said Kashmir dispute threatens regional peace, and the international community has the responsibility to help resolve it. She was addressing the officers of the command and staff college in Quetta this morning. She said a world of peace and security can be built on the universal principles and not on selective morality. We cannot pick and choose between disputes and conflicts. Human rights must be indivisible, and international law must be equitable, she remarked.

The prime minister said if apartheid can end in South Africa, the peace process can begin in the Middle East, and a cease-fire is worked out in Bosnia, then the people of Kashmir deserve to see their rights fulfilled. She said it is wrong and immoral that as Kashmir bleeds, the world remains indifferent. This will discourage neither the people of Kashmir to give up their struggle, nor the people of Pakistan from supporting them. She said we are determined the winds of freedom should blow in Kashmir, as the people cannot be subjugated for ever through brute forces.

She said Pakistan is prepared to have a dialogue with India to resolve this outstanding dispute, and we believe a political solution, either bilaterally or multilaterally, is inevitable.

On the nuclear issue, the prime minister said Pakistan's nuclear program is peaceful, and it seeks a regional or a multilateral solution to the problem of proliferation. She reiterated that Pakistan cannot and will not take unilateral steps on the Comprehensive Test Ban Treaty, although it supports efforts to end weapons of mass destruction.

Pakistan: Parliamentary Committee Rejects Indian Kashmir Elections

BK0408140796 Islamabad PTV Television Network in English 1300 GMT 4 Aug 96

[FBIS Transcribed Text] The parliamentary Kashmir committee at its meeting in Islamabad today discussed the situation in Kashmir in the perspective of state elections scheduled on the seventh of next month. The meeting presided over by the chairman of parliamentary Kashmir committee, Nawabzada Nasrullah Khan, was unanimously of the view such elections cannot be substitute to a plebiscite, as it is a contradiction of the UN Security Council's resolutions on Kashmir. The committee maintained that in the presence of 600,000 Indian troops, the genocide of Kashmiri people, unprecedented atrocities, and state terrorism of the Indian Government, the elections are no more than a mockery to cheat international public opinion.

The meeting was attended by: Mr. Ghulam Mustafa Khan Jatoi, Rao Sikander Iqbal, Mr. Muzaffar Ahmad Hashemi, Malik Mohammad Arsala Khan, Rao Mohammad Hashim Khan, Pir Mohammad Aslam Botla, Syed Zafar Ali Shah, Sheikh Rashid Ahmed, Chaudhary Mohammad Sarwar, Mr. Shafqat Mahmud, Mr. Hussain Shah Rashdi, and Chaudhary Aitzaz Ahsan.

Pakistan: Islamabad Opposes Concept of UN Rapid Reaction Force

BK0408074296 Islamabad Radio Pakistan Network in Urdu 1500 GMT 3 Aug 96

[FBIS Translated Text] At the Nonaligned Movement working group meeting on peacekeeping operations in New York, Pakistan and other members have demanded that all decisionmaking powers concerning peacekeeping operations should remain with the United Nations only. In his opening address, Ahmad Kamal, the Pakistani ambassador to the United Nations, said that Pakistan is strongly opposed to the concept of loaned and sponsored personnel in the peacekeeping operations. He expressed surprise at the manner in which the Rapid Reaction Force was being sponsored by a chosen number of developed countries. He pointed out that Pakistan, presently the largest troop contributor to the UN peace force, has not been consulted in this matter.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pakistan: Opposition Leader Asks Government Not To Sign CTBT

BK0608024496 Islamabad Radio Pakistan Network in Urdu 0200 GMT 6 Aug 96

[FBIS Translated Text] Opposition Leader Mohammad Nawaz Sharif has said that Pakistan should not sign the Comprehensive Test Ban Treaty [CTBT] even if India signs it. Addressing a news conference in Islamabad yesterday evening, he said Pakistan should not sign the CTBT until apprehensions about its security are removed and the Kashmir dispute is resolved.

Pakistan: Bhutto Vows To Foil Opposition Designs, Agitation

BK0408074096 Islamabad PTV Television Network in English 1300 GMT 3 Aug 96

[FBIS Transcribed Text] Prime Minister Benazir Bhutto has said her government has waged a war against drugs, kalashnikov culture, sectarianism, ethnicity, and politics as, she said, we want to make Pakistan strong and the people prosperous. Addressing a big public meeting in Kalat today, the prime minister said the people's government is taking far-reaching steps for economic development and to attract foreign investment in the country so that the unemployment problem is solved.

She criticized the opposition's politics of long marches, sit-ins, and agitation and said these are aimed at discouraging foreign investment. These people, the prime minister said, had taken the country to the brink of bankruptcy during their tenure, and now they do not want us to overcome the problems of unemployment and inflation. She expressed her determination to foil the designs of the opposition and steer the country into the 21st century in a dignified manner. The prime minister said her government intends to put the less developed areas, including Balochistan, on the path of rapid progress. She asked the members of the National Finance Commission belonging to Punjab and Sindh to provide part of their resources to Balochistan, NWFP [North-West Frontier Province], and Azad Kashmir.

Prime Minister Benazir Bhutto today also performed the ground-breaking ceremony of the Kalat-Surab section of the ECO [Economic Cooperation Organization] Highway, which is to be constructed at a cost of 800 million rupees. The highway is scheduled to be completed by March next year. A 74-km-long section of the highway is being constructed by an Iranian company. Talking to the gathering present on the occasion, the prime minister said construction of ECO and other highways is part of the people's government's policies aimed at developing communication. She said completion of these highways would further boost trade among regional countries. The prime minister unveiled the plaque. PTV representative Zafarullah Khan says the Kalat-Surab section of the highway would be 24-feet wide and it would be a modern highway. The project includes construction of 244 small bridges, apart from repair of old ones.

Pakistan: PML-N 'Conditionally' Accepts Bhutto's Offer of Talks

BK0408073696 Peshawar THE FRONTIER POST in English 3 Aug 96 p 1

[PPI report]

[FBIS Transcribed Text] ISLAMABAD—Pakistan Muslim League [PML] (N) has conditionally accepted Prime Minister Benazir Bhutto's offer of talks to opposition parties.

"The PML (N) is ready to hold parleys with the government only if it agrees to discuss formation of a neutral election commission and an interim government for holding of fresh general elections in the country," a party spokesman said in a statement here Friday [2 August] while commenting on Prime Minister Benazir Bhutto's offer of talk to opposition parties.

He said if the government was sincere in its offer of talks, it could also hold negotiations on matters relating to appointment of the governors and election commissioner in consultations with the opposition. He said similarly, elimination of corruption was another important issue, adding that the opposition was ready to hold talks with the government on matters relating to formation of a judicial commission to probe into corruption charges.

Prime Minister Benazir Bhutto had Thursday [1 August] invited the opposition parties, including the MQM [Muhajir Qaumi Movement] and Jamaat-i-Islami for talks to find a solution to the problems.

Addressing a public meeting at Pishin, she said "violence, protests, sit-ins and marches cannot resolve any problem".

The PML spokesman, however, said that the opposition was not ready to talk to the government on nonissues. The spokesman said that the country was confronting serious problems due to deteriorating law and, order situation, economic degradation and constitutional violations at the hands of the government.

"The government has even lost its split mandate which necessitates formation of neutral election commission and an interim government for holding of fresh elections in Pakistan", he concluded. Meanwhile, the chief of PML (N) and leader of opposition in the National Assembly Mian Nawaz Sharif condemned the death of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

two MQM workers at the hand of Karachi police and the arrest of Sardar Mohammad Saif Khosa, son of PML Punjab secretary-general Sardar Zulfiqar Ali Khosa and said power abuse, bullet and jail were the symbol of Benazir government.

In a press statement issued in Lahore, the PML chief said that bloody operation in Usmania Colony had proved false the government claim that peace had been restored in Karachi.

He charged that the Benazir government had destroyed Karachi and Sindh and devastated Pakistan.

Nawaz said the government had broken all records of previous elected and unelected governments of killing and detentions of political workers."There is no jail in Pakistan where political workers are not detained," he added.

He said the "grand" people's movement being launched by the opposition in the near future would remove the PPP from power.

Pakistan: Bhutto Pledges Efforts To Eradicate Unemployment

BK0408073196 Islamabad THE NEWS in English 3 Aug 96 pp 1, 9

[APP report]

[FBIS Transcribed Text] QUETTA — Prime Minister Benazir Bhutto has said the gap between Rs. [rupees] 300 billion income and Rs. 500 billion expenditure compels the government to go for soft-term loans from the World Bank.

Addressing the provincial councillors of the People's Party (PPP) here on Friday [2 August], the prime minister said the government is trying its level best for the betterment of the country's economy so that new jobs are created and the problem of unemployment is solved.

One of the steps taken by the government, she said, was to lift the embargo on government jobs that had been imposed by the previous regime.

The government has also initiated a policy of extending small loans to the unemployed so that they could establish their own businesses, she told the councillors. She, however, urged them to work hard for the progress of the country. About the efforts at government level, the prime minister said it has formulated a policy to promote development in various sectors and Social Action Programme (SAP) is also in line with the same policy.

Criticising the previous government's policy of nepotism, she said, the PPP has been elected because of its manifesto, which, she assured, would be implemented in letter and spirit. "We are politicians," she reminded party workers, and it is our duty to help solve problems as well as build the image of the country at international level."

The prime minister said the PPP government has brought peace in the country and a new era of economic progress has begun. She said the government is providing 10,000 jobs in the education sector every year by opening 10,000 new schools. Speaking on the development projects in Balochistan, she said dams are being built in Ormara, Pasni and Gwadar, which would bring an economic change in the lives of the people, besides inviting foreign investment, which would create job opportunities. She said 630 villages have been provided public telephone office, 403 villages have been supplied electricity, while work on electrification of another 320 villages is underway.

Meanwhile, the Prime minister said the government would open new vistas of knowledge and information by opening up the world to the people of Pakistan through electronic media so that they don't remain "isolated and aloof in the world leaping in progress and prosperity."

After pressing a button at the Quetta Television studios here Friday morning to begin the third TV channel for the People living in far-flung areas of Balochistan, Benazir Bhutto said, "I want the people in the remotest corners of Balochistan to catch up with the rest of the world and TV is the fastest medium for this Purpose. Secondly, the channel will groom the local talent, culture and traditions of Balochistan and bring them at par with other provinces," she said,

During her previous tenure, Benazir Bhutto had opened an STN channel at Quetta. Even the first TV channel at Quetta had been set up during the tenure of the first PPP government in the 1970s. On arrival at the PTV's Quetta centre, she was welcomed by its managing director, Rana Sheikh. The prime minister unveiled a plaque to inaugurate the local area transmission. A S Paul, the controller of the local transmission, briefed the prime minister about the objectives of opening a local channel, which, he said, would promote regional culture and language.

Before leaving the studios, Benazir Bhutto invited the chief minister of Balochistan, Nawab Zulfiqar,, Magsi, to speak on the occasion. Magsi was highly appreciative of the prime minister's long awaited visit to this part of the country.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The prime minister also invited Akbar Lasi, the minister for labour and main Power, and the PPP MPAs [Members of Provincial Assembly] to say a few words. Meanwhile, the prime minister said every federating unit of the country is autonomous, therefore, neither the federation should interfere in the Provincial autonomy nor a province should create problems, for the federation. She was addressing a gathering on the occasion of Nawab Aslam Raisani's joining the PPP here on Friday afternoon.

Pakistan: Domestic Debt Increases to 40 Percent of GDP

BK0408150696 Islamabad THE NEWS in English 4 Aug 96 p 1

[Report by M.I. Lashkar]

[FBIS Transcribed Text] ISLAMABAD: Pakistin's domestic debt rose to Rs. [rupees] 860 billion by the end of June this year (financial year 1995-96), constituting 40 percent of the Gross Domestic Product (GDP), which is one of the highest in the world.

It is Rs. 75 billion more than the previous financial year's (1994-95) domestic debt of Rs. 784 billion.

There has been a steep increase in the domestic debt every year since 1980-81 when it was only Rs. 58 billion, constituting 20 percent of the GDP. In 1987-88, it rose to Rs. 290 billion, constituting 43 percent of the GDP. Since it has been increasing sharply, rising to Rs. 333 billion in 1988-89, to Rs. 381 billion in 1989-90, to Rs. 448 billion in 1990-91, to Rs. 525 billion in 1991-92, to Rs. 608 billion in 1992-93 and to Rs. 702 billion in 1993-94.

Similarly, the interest on domestic debt as part of debt servicing payments also rose during the period. In 1987-88, it was Rs. 22 billion, constituting 3.3 percent of the GDP, which rose to Rs. 96 billion in 1995-96, constituting 4.4 percent of the GDP.

The domestic debt is divided into three types — permanent debt, floating debt and unfunded debt, all contracted to fill up the budgetary gap.

These are mainly categorised into non-bank borrowing, which is executed through various debt instruments and savings schemes, introduced at various times.

The adverse impact of the domestic debt on country's economy can be assessed from the fact that 56.3 percent of the budgetary deficit of Rs. 108.5 billion in 1995-96 alone was financed through domestic non-bank borrowing. Unluckily, the debt is increasing very year with the debt servicing liability of domestic debt along with the foreign debt is consuming major parts of the budgetary allocations.

Pakistan: SBP Board Approves 1996-97 Credit Plan

BK0408073096 Karachi BUSINESS RECORDER in English 2 Aug 96 p 1

[Unattributed report]

[FBIS Transcribed Text] KARACHI — The Central Board of Directors of the State Bank of Pakistan [SBP] has approved a Rs [rupees] 116 billion total Credit Plan for 1996-97 at a meeting held under the chairmanship of the SBP Governor, Dr. Mohammad Yaqub, on Thursday [1 August].

The Board, in addition to several administrative policy decisions, gave approval to the annual accounts of the bank for the year ended June 30,1996.

According to details of the plan released by the SBP, domestic credit expansion is envisaged at Rs 102, billion out of which Rs 60 billion is indicated for the private sector Rs 55 billion to be contributed by the commercial banks and Rs 5 billion by other financial institutions.

The breakdown of the public sector allocation of Rs 42 billion is: Budgetary support Rs 20 billion, commodity operations Rs 5 billion, use of privatization proceeds Rs 14 billion, autonomous bodies Rs 3 billion.

The credit plan shows net foreign assets at Rs 14 billion.

A press note issued by SBP said:

"While giving approval to the Credit Plan for 1996-97, the board stressed on the governor the need to take concrete steps to ensure that the targets set in the plan are not exceeded by any sector of the economy.

The board in particular emphasized the importance of adherence to the Credit Plan by the federal and provincial governments and public sector corporations because financial discipline was a necessary condition for the containment of inflationary pressures and achievement of balance of payments viability and relative exchange rate stability.

"In this regard, the Governor briefed the board on the directives issued by the prime minister and the board appreciated the support given by the prime minister for the enforcement of financial discipline."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.